

the modification of the eighteenth amendment or the return of legalized beer, and urging adequate appropriations for law enforcement; to the Committee on the Judiciary.

9705. Also, petition of Rhoda Clement and sundry other citizens of Richland and Orwell, N. Y., favoring the so-called stop-alien representation amendment in future apportionments for congressional districts; to the Committee on the Judiciary.

9706. By Mr. DELANEY: Petition of the General Henry W. Lawton, No. 21, Department of New York, United Spanish War Veterans, urging favorable consideration of all legislation in defense of the Spanish War veterans; to the Committee on Military Affairs.

9707. Also, petition of the Merchants' Association of New York, urging more concrete economies in Federal expenditures and not additional taxation; to the Committee on Ways and Means.

9708. Also, petition of Peter Henderson & Co., seedsmen, of New York City, urging the passage of the bill restoring first-class mail to the 2-cent rate; to the Committee on Ways and Means.

9709. Also, petition of the Pan-American Bureau, credit adjusters, of Brooklyn, N. Y., urging that the first-class mail be put back on the 2-cent rate, and that the lower rates be increased at once so that such service may be self-supporting; to the Committee on Ways and Means.

9710. Also, petition of the Brooklyn Chamber of Commerce, protesting against questions 3 and 4 of referendum No. 64 on governmental debts due to the United States, a referendum of the United States Chamber of Commerce; to the Committee on Foreign Affairs.

9711. By Mr. EVANS of California: Petition of Blanche Fulton and approximately 60 others, urging the passage of stop-alien-representation amendment to the United States Constitution; to the Committee on Labor.

9712. By Mr. GARBER: Petition of the Manhattan Chamber of Commerce, Manhattan, Kans., making certain recommendations for legislation concerning railroads; to the Committee on Interstate and Foreign Commerce.

9713. Also, petition of the Chamber of Commerce of Joplin, Mo., urging enactment of House bill 11642; to the Committee on Interstate and Foreign Commerce.

9714. Also, petition urging support of railway pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9715. Also, letters from W. B. Flint, local manager Long-Bell Lumber Sales Corporation of Ames, and B. M. Coombs, local manager Long-Bell Lumber Sales Corporation of Medford, Okla., urging support of House bill 13790, for the protection of American industry and labor against foreign intrusion; to the Committee on Ways and Means.

9716. By Mr. HANCOCK of New York: Petition of Florence M. Palmer and other residents of Cortland County, N. Y., favoring the stop-alien amendment to the Constitution; to the Committee on the Judiciary.

9717. By Mr. KOPP: Petition of Rev. F. C. Witzigman and other citizens of Washington, Iowa, urging support of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

9718. Also, petition of Rev. Arthur A. Vinz and many other citizens of Washington, Iowa, urging support of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

9719. Also, petition of J. O. Crawford and many other citizens of Washington, Iowa, urging support of the stop-alien-representation amendment to the United States Constitution; to the Committee on the Judiciary.

9720. By Mr. LAMBERTSON: Resolution of the Oakland Woman's Christian Temperance Union, of Topeka, Kans., opposing any legislation tending to nullify, weaken, or repeal the eighteenth amendment and the Volstead Act and urging adequate appropriations for the enforcement thereof; to the Committee on the Judiciary.

9721. Also, petition of the Oakland Woman's Christian Temperance Union, of Topeka, Kans., urging the establishment of a Federal motion-picture commission; declare the motion-picture industry a public utility, to regulate the trade

practices of the industry, to supervise the selection and treatment of subject matter during the processes of production, and providing for the regulation and supervision of all pictures in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

9722. By Mr. LINDSAY: Petition of Brooklyn Chamber of Commerce, referring to governmental debts due the United States; to the Committee on Ways and Means.

9723. Also, petition of the Merchants Association of New York, referring to additional taxation; to the Committee on Ways and Means.

9724. By Mr. LUDLOW: Petitions of citizens of the State of Indiana, protesting against discriminatory operation of busses and trucks against railroads; to the Committee on Interstate and Foreign Commerce.

9725. By Mr. MEAD: Petition of Carrie H. Ayer, chairman of a public meeting, proposing to legalize beer and repeal or modify the eighteenth amendment; to the Committee on the Judiciary.

9726. By Mr. RUDD: Petition of the Merchants Association of New York, referring to taxation, etc.; to the Committee on Ways and Means.

9727. Also, petition of J. & L. Adikes, flour and bakers' supplies, Jamaica, N. Y., opposing the domestic-allotment plan; to the Committee on Agriculture.

9728. Also, petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., referring to governmental debts due to the United States; to the Committee on Ways and Means.

9729. Also, petition of Peter Henderson & Co., New York City, referring to first-class postal rates; to the Committee on the Post Office and Post Roads.

9730. By Mr. SMITH of Idaho: Memorial of the Twenty-first Legislature of the State of Idaho, protesting against the enactment of House bill 13558; to the Committee on the Public Lands.

9731. By Mr. SPARKS: Petition of citizens of Osborne, Downs, Cawker City, Bloomington, and Portis, Kans., submitted by J. W. Chandler and signed by 37 others, favoring the passage of the stop-alien-representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9732. By the SPEAKER: Petition of the Methodist Episcopal Church of Whitewater, Mich., opposing the action of Congress in attempting to legalize the sale of intoxicating beer; to the Committee on Ways and Means.

## SENATE

SATURDAY, JANUARY 21, 1933

(Legislative day of Tuesday, January 10, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the President of the United States.

### MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On January 19, 1933:

S. 4791. An act to amend the United States mining laws applicable to the city of Prescott municipal watershed in the Prescott National Forest within the State of Arizona;

S. 5183. An act granting the consent of Congress to the Board of County Commissioners of Allegheny County, Pa., to construct, maintain, and operate a toll bridge across the Monongahela River between the city of Pittsburgh and the borough of Homestead, Pa.; and

S. 5231. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.

On January 20, 1933:

S. 5252. An act providing for payment of \$25 to each enrolled Chippewa Indian of Minnesota from the funds standing to their credit in the Treasury of the United States.

On January 21, 1933:

S. 4095. An act to amend an act entitled "An act to punish the unlawful breaking of seals of railroad cars containing interstate or foreign shipments, the unlawful entering of such cars, the stealing of freight and express packages or baggage or articles in process of transportation in interstate shipment, and the felonious asportation of such freight or express packages or baggage or articles therefrom into another district of the United States, and the felonious possession or reception of the same," approved February 13, 1913, as amended (U. S. C., title 18, secs. 409-411), by extending its provisions to provide for the punishment of stealing or otherwise unlawful taking of property from passenger cars, sleeping cars, or dining cars, or from passengers on such cars while such cars are parts of interstate trains, and authorizing prosecution therefor in any district in which the defendant may have taken or been in possession of the property stolen or otherwise unlawfully taken.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House insisted upon its amendment to the bill (S. 5160) to provide for loans to farmers for crop production and harvesting during the year 1933, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. JONES, Mr. FULMER, Mr. LARSEN, Mr. HAUGEN, and Mr. PURNELL were appointed managers on the part of the House.

#### ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the Vice President:

S. 5059. An act to extend the time for completing the construction of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.; and

H. J. Res. 559. Joint resolution to exempt from the tax on admissions amounts paid for admission tickets sold by authority of the committee on inaugural ceremonies on the occasion of the inauguration of the President elect in March, 1933.

#### CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|           |           |                |               |
|-----------|-----------|----------------|---------------|
| Ashurst   | Couzens   | Kean           | Russell       |
| Austin    | Cutting   | Kendrick       | Schuyler      |
| Bailey    | Dale      | Keyes          | Sheppard      |
| Barbour   | Davis     | King           | Shipstead     |
| Barkley   | Dickinson | La Follette    | Shortridge    |
| Bingham   | Fess      | Lewis          | Smith         |
| Blaine    | Fletcher  | Logan          | Smoot         |
| Borah     | Frazier   | Long           | Steiwer       |
| Bratton   | George    | McGill         | Swanson       |
| Brookhart | Glass     | McNary         | Thomas, Idaho |
| Broussard | Glenn     | Moses          | Thomas, Okla. |
| Bulkey    | Gore      | Neely          | Trammell      |
| Bulow     | Grammer   | Norbeck        | Tydings       |
| Byrnes    | Harrison  | Nye            | Vandenberg    |
| Capper    | Hastings  | Oddie          | Wagner        |
| Caraway   | Hawes     | Patterson      | Walsh, Mass.  |
| Connally  | Hayden    | Pittman        | Walsh, Mont.  |
| Coolidge  | Hebert    | Reynolds       | Watson        |
| Copeland  | Howell    | Robinson, Ark. | Wheeler       |
| Costigan  | Johnson   | Robinson, Ind. | White         |

Mr. HEBERT. I wish to announce that my colleague [Mr. METCALF] is unavoidably detained from the Senate. I ask that this announcement may stand for the day.

Mr. SHEPPARD. I wish to announce that the senior Senator from Tennessee [Mr. McKELLAR], the junior Senator from Tennessee [Mr. HULL], the senior Senator from Alabama [Mr. BLACK], the junior Senator from Alabama [Mr. BANKHEAD], the Senator from Washington [Mr. DILL], and the Senator from Nebraska [Mr. NORRIS] are absent on official business, visiting Muscle Shoals.

The VICE PRESIDENT. Eighty Senators have answered to their names, a quorum is present.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South Carolina, which was referred to the Committee on Foreign Relations:

A concurrent resolution requesting the Senate of the United States to ratify the seaway treaty

Whereas there is now being considered by the Foreign Relations Committee of the United States Senate what is known as "The Seaway Treaty"; and

Whereas the ratification of said treaty will clear the way for extending ocean carriage 1,500 miles inland to the heart of the continent; and

Whereas it is, therefore, to the great interest of the United States that said treaty be speedily ratified: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the General Assembly of South Carolina does hereby petition the Senate of the United States to ratify "The Seaway Treaty" during the present session of Congress; and it is further

Resolved, That a copy of this resolution be transmitted to the United States Senate.

The VICE PRESIDENT also laid before the Senate a letter from Benjamin J. Rehert, of Baltimore, Md., making suggestions relative to commodity prices and banking, which was referred to the Committee on Banking and Currency.

He also laid before the Senate resolutions adopted by the Umatilla County Pomona Grange, Freewater, Oreg., favoring the passage of legislation to make effective a bounty or subsidy in connection with the tariff on wheat, which were referred to the Committee on Agriculture and Forestry.

He also laid before the Senate the petition of Sidney M. Smoot and sundry other citizens (being single men and widowers) of the District of Columbia, praying that in the distribution of the \$625,000 recently appropriated for the relief of needy residents of the District of Columbia that single men and widowers be not discriminated against and that such fund be not distributed solely to married persons and single women, which was referred to the Committee on the District of Columbia.

He also laid before the Senate an affidavit signed by Eduarda K. Baltuff (Harris), of Savannah, Ga., relative to the alleged so-called ZEV conspiracy, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from Solon W. Bingham, of Boston, Mass., praying for the adoption of the so-called Sparks-Capper stop alien representation amendment to the Constitution, which was referred to the Committee on the Judiciary.

He also laid before the Senate the memorial of C. L. Woodward and sundry other citizens of Sullivan County, Pa., remonstrating against the repeal or modification of the national prohibition law so as to permit the manufacture and sale of intoxicating liquors, which was ordered to lie on the table.

He also laid before the Senate resolutions adopted by the East Pasadena Church of the Nazarene, the First Church of the Nazarene, the Bresee Church of the Nazarene, and the Foursquare Gospel Church, all of Pasadena, Calif., protesting against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. KEAN presented letters and telegrams in the nature of memorials from sundry banks and citizens in the State of New Jersey, remonstrating against the practice of giving publicity to loans made by the Reconstruction Finance Corporation, which were referred to the Committee on Banking and Currency.

Mr. GRAMMER presented resolutions adopted by the Chambers of Commerce of Forks and Wenatchee, and also West Seattle Post No. 160, the American Legion, of Seattle, all in the State of Washington, favoring the passage of legislation to compensate for depreciated foreign currencies, which were referred to the Committee on Finance.

Mr. VANDENBERG presented resolutions adopted by the Detroit (Mich.) Council of Churches, favoring the prompt ratification of the World Court protocols, such measure of disarmament of the nations as can be effected at this time, and the peaceful solution of international disputes, which were referred to the Committee on Foreign Relations.



He also presented a memorial of sundry citizens of Berrien Springs, Mich., remonstrating against the passage of legislation to modify the national prohibition law so as to permit the manufacture and sale of beer with an alcoholic content of 4 per cent according to volume, which was ordered to lie on the table.

Mr. BROOKHART presented resolutions adopted by 69 members of the W. C. T. U., of Nevada, and 300 members of the W. C. T. U., of Oskaloosa, in the State of Iowa, protesting against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

He also presented petitions, numerous signed, of sundry citizens of Terril, Spirit Lake, and Milford, and of Mrs. C. A. McLarnand and other citizens of Macksburg, T. H. Jeys and other citizens of Cresco, Mrs. Mack Robinson and other citizens of Winterset, and Rev. M. A. Wyman and other citizens of Centerville, all in the State of Iowa, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the Thomas E. Atkinson Association (Inc.), of the State of New York, favoring the financing of the construction of the Tri-Boro Bridge through a loan from the Reconstruction Finance Corporation, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Good Citizenship League, of Flushing, N. Y., favoring the passage of legislation providing for the exclusion of aliens in the count of population for the appointment of Representatives in Congress, which was referred to the Committee on the Judiciary.

He also presented memorials of sundry citizens of Bronxville, New Rochelle, Mount Vernon, Hastings, and Larchmont, all in the State of New York, remonstrating against the curtailment or elimination of appropriations for the maintenance of citizens' military training camps, which were referred to the Committee on Appropriations.

He also presented a resolution adopted by Branch No. 42, the Fleet Reserve Association, of the Bronx, N. Y., and vicinity, remonstrating against proposed reductions in the pay of enlisted men of the Navy, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the Rockland County Chapter, Reserve Officers' Association of the United States, of New York State, favoring the making of adequate appropriations for the maintenance of the Regular Army, the National Guard, Reserve Officers' Training Corps, citizens' military training camps, annual rifle matches, and civilian rifle clubs, which was referred to the Committee on Appropriations.

He also presented resolutions adopted by the Yonkers Teutonia, of Yonkers, and Erste Jablohower Lodge, No. 477, I. O. B. A., of New York City, in the State of New York, favoring the repeal of the so-called economy act, which were referred to the Committee on Appropriations.

He also presented memorials, numerous signed, of sundry citizens of Rochester and vicinity, in the State of New York, remonstrating against proposed reductions in appropriations for and in the personnel of the Marine Corps, which were referred to the Committee on Appropriations.

He also presented a resolution adopted at Rochester, N. Y., by the New York State Horticultural Society favoring the ratification of the Great Lakes-St. Lawrence seaway treaty with Canada, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by Gen. Henry W. Lawton Camp, No. 21, Department of New York, United Spanish War Veterans, of Brooklyn, N. Y., remonstrating against curtailment of pensions, disability allowances, and compensation to veterans of the Spanish-American War, which was referred to the Committee on Pensions.

He also presented resolutions adopted by the Dolgeville Exchange Club, of Dolgeville, N. Y., favoring Federal regulation of common carriers on the highways and by water-transportation agencies, which were referred to the Committee on Interstate Commerce.

He also presented a memorial of citizens of New York City and Brooklyn, N. Y., remonstrating against proposed legislation providing for agricultural relief through the so-called domestic-allotment plan, which was referred to the Committee on Agriculture and Forestry.

He also presented memorials of sundry citizens and organizations of the State of New York, remonstrating against the repeal of the eighteenth amendment to the Constitution or the repeal or modification of the national prohibition law, which were ordered to lie on the table.

He also presented a resolution adopted at Rochester, N. Y., by the New York State Horticultural Society, favoring the enactment of legislation to establish within the Treasury Department a stabilization bureau for the perpetuation of the gold standard, which was ordered to lie on the table.

#### FEDERAL LAND-BANK PRACTICES IN MONTANA

Mr. WALSH of Montana. Mr. President, I have a communication from a very high-class lawyer of my State, who writes me concerning foreclosures instituted and prosecuted by the Federal land bank at Spokane. It contains information of a character so important that I am going to ask that it be incorporated in the RECORD in full. I want to invite the attention of Senators particularly to a few paragraphs of the letter.

Having referred to the appropriation of \$125,000,000 made by Congress primarily for purposes of enabling the Federal land banks to grant extensions to borrowers in these times, he calls my attention to actual cases of foreclosures that are now being prosecuted in the county in which he lives. In this connection he says:

Our Federal land bank has woefully fallen down as an aid to our farmers and has, indeed, become a considerable factor in their destruction. Many of the foreclosures, in fact most of them, could have been avoided. When one recalls that each payment of an amortization installment retires a portion of the principal debt, it is apparent that some leniency could be extended farmers who are honest and able but, through the misfortune of grasshoppers, drought, and low prices, can not meet their payments.

Particularly is this true in cases gathered for illustration from my notes where foreclosures were pressed in this county. I will burden this letter with a few of them:

An instance where 11 installments had been paid, 2 were delinquent, and 4 years of taxes unpaid.

Another, where 21 payments had been made, 2 delinquent installments, and 2 years of delinquent taxes.

Again, one of 13 payments, with 2 delinquent installments, and no delinquent taxes.

Another instance of 11 installments and a part of the twelfth having been paid, with 2 delinquent installments and 2 years of delinquent taxes.

Another, where 20 amortization payments were made, with 6 delinquent semiannual installments and no delinquent taxes.

And so it runs, in similar manner, with 13, 15, and as high as 21 payments. Giving you something concrete, gathered from their foreclosure record, an instance where 16 amortization payments of \$325 each had been paid, or a payment of \$5,200 of a loan of \$9,700, covering 1,073.44 acres, there were 2 delinquent payments of \$650 and delinquent taxes amounting to \$494.52.

He adds:

I have personally read too many of the series of correspondence emanating from the bank and the borrower to be mistaken in this respect. The unfortunate farmer is set upon and harassed by the field agent, the management of the bank, and its legal department until driven to desperation. Our farmers in this area are almost altogether unable to meet their payments. Nearly all of them, or a big percentage of them at least, have delinquent taxes, and they are, I should judge from many recent consultations, all or nearly all in danger of foreclosure.

Somebody wrongly reports the policies of this bank to Washington. I heard President Hoover, in his address at Des Moines, say that they were not prosecuting foreclosures and had not been foreclosing except in those instances where the farmer himself surrendered to the inevitable. This is not an exact quotation, but it is in effect what he said, and I wondered if that was reported to him by the Federal Land Bank Board. If so, it is in keeping with what must have been said, at least, by our regional bank.

I talked with a responsible agricultural agent of the Milwaukee Railroad some time ago, and he was amazed at my narration of the true facts and circumstances concerning the bank's policies, for he had recently conversed with the officers of the regional



banks and they had declared in harmony with President Hoover's statement.

Nevertheless, these foreclosures are taking place in every instance where the farmer does not submit to the ruinous practice of giving everything he has as security, placing himself in a position where he will be pauperized when foreclosure takes place, and, in addition, confronted with a deficiency judgment.

Mr. President, I should not take the time to put this in the RECORD were it not for the fact that it is simply cumulative. Further evidence of the same character comes to me, and I have noted that the same policy is being pursued throughout the United States. Obviously this merits the attention of Congress.

The VICE PRESIDENT. Without objection, the letter will be printed in the RECORD, as requested.

The letter is as follows:

LEWISTOWN, MONT., January 9, 1933.

HON. THOMAS J. WALSH,

United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I have had in mind for a considerable period of time taking up with you the situation confronting our farmers in Montana in their relations with the Federal Land Bank of Spokane.

Last spring one of the service clubs of this city, expressing alarm at the growing number of foreclosures and the apparent helplessness of our farmers to protect themselves, requested that I prepare and deliver an address on the subject of the operation and policies of the Federal land bank. To this subject I devoted considerable time and made an investigation of the conduct of its business in the Judith Basin, which I think fairly reflects its business methods elsewhere and, as I also judge, its business methods in other regional banks.

This latter observation is prompted by an article appearing in the October 8 number of *Colliers*, by an author named White. His article quite clearly parallels, in its narration of facts, the innumerable instances of our Spokane bank in its operations in this area.

Later on I was again called upon to address a meeting of the chamber of commerce on the same subject and I, at that time, had secured some additional information. Since August, 1929, and up to the date of the assembling of my data for the addresses mentioned (which has been considerably added to since), the Federal land bank had foreclosed upon 33,454 acres of land in Fergus County.

Loans made by the bank are all amortization loans and run almost uniformly 32-year tenures. Under the provisions of section 771, title 12, U. S. C. A., as you are aware, this is the exclusive method of making loans.

The original capital for these regional banks was prescribed as \$750,000. (Sec. 691, U. S. C. A.) Under the provisions of section 695, U. S. C. A., after the books of the bank were open for 30 days for subscriptions, it was made the duty of the Secretary of the Treasury to subscribe for all stock not privately subscribed for. (Sec. 695, U. S. C. A.)

I have been unable to ascertain definitely just who the stockholders are in the regional banks at the present time, but it is contemplated by the act, of which the cited sections are a part, that these land banks shall be under the control of the United States Government through a national board consisting of the Secretary of the Treasury, ex officio, and five other members selected by the President. (Sec. 652, U. S. C. A.)

I need now make no mention of the splendid plan and purpose. In March of last year Congress appropriated, to be used in the form of a subscription, \$125,000,000, distributed among the 12 Federal land banks. Two million dollars of this appropriation was made available to the Spokane bank. In March, 1932, E. M. Ehrhardt, president of the Spokane bank, was quoted by the Associated Press to the effect that, since the appropriation did not "constitute a moratorium or general extension of time to those who have received loans," there would be no such construction of its provisions. He directed attention to the fact that the principal and interest due to the bank from borrowers each year exceeded \$7,000,000, and argued that it is clear that the \$2,000,000 made available "would be exhausted in less than four months if wholesale extensions were granted."

It will be recalled that additional funds may be obtained by the banks through the pyramiding of bond issues and I suspect that, if private capital is involved to any considerable extent, the troubles I shall point out flow naturally from that fact in conjunction with other sources of loss of profit.

However that may be, our Federal land bank has woefully fallen down as an aid to our farmers, and has, indeed, become a considerable factor in their destruction. Many of the foreclosures, in fact, most of them, could have been avoided. When one recalls that each payment of an amortization installment retires a portion of the principal debt, it is apparent that some leniency could be extended farmers who are honest and able but through the misfortune of grasshoppers, drouth, or low prices can not meet their payments.

Particularly is this true in cases gathered for illustration from my notes where foreclosures were pressed in this county. I will burden this letter with a few of them: An instance where 11 installments had been paid, 2 were delinquent, and 4 years of taxes were unpaid;

Another where 21 payments had been made, 2 delinquent installments, and 2 years of delinquent taxes;

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And so it runs, in similar manner, with 13, 15, and as high as 21 payments. Giving you something concrete, gathered from their foreclosure record, an instance where 16 amortization payments of \$325 each had been paid, or a payment of \$5,200 of a loan of \$9,700, covering 1,073.44 acres, there were two delinquent payments of \$650 and delinquent taxes amounting to \$494.52.

In every instance, so far as I know—and I think the statement is correct—it is the policy of the bank in foreclosing to take a deficiency judgment; and I am reliably informed that it has been viciously stated, by responsible men in the bank, that this is done for the purpose of making an example of the farmer. Their field agents are particularly vicious.

The mode of procedure is almost universally as follows: When the farmer fails to pay an installment of taxes, or an amortization installment, he is campaigned at once to make out a financial statement. I have never seen a more complete blank for searching out every last resource than the blank sent out for this purpose. He is then told that he will be granted an extension for the next ensuing installment, if he will give a chattel mortgage on everything he owns and including the crops to be raised the next season.

Senator WALSH, I have personally read too many of the series of correspondence emanating from the bank and the borrower to be mistaken in this respect. The unfortunate farmer is set upon and harassed by the field agent, the management of the bank, and its legal department until driven to desperation. Our farmers in this area are almost altogether unable to meet their payments. Nearly all of them, or a big percentage of them, at least, have delinquent taxes, and they are, I should judge from many recent consultations, all, or nearly all, in danger of foreclosure.

Somebody wrongly reports the policies of this bank to Washington. I heard President Hoover, in his address at Des Moines, say that they were not prosecuting foreclosures and had not been foreclosing except in those instances where the farmer himself surrendered to the inevitable. This is not an exact quotation, but it is in effect what he said, and I wondered if that was reported to him by the Federal Land Bank Board. If so, it is in keeping with what must have been said at least by our regional bank.

I talked with a responsible agricultural agent of the Milwaukee Railroad some time ago, and he was amazed at my narration of the true facts and circumstances concerning the bank's policies, for he had recently conversed with the officers of the regional bank and they had declared in harmony with President Hoover's statement.

Nevertheless these foreclosures are taking place in every instance where the farmer does not submit to the ruinous practice of giving everything he has as security, placing himself in a position where he will be pauperized when foreclosure takes place, and, in addition, confronted with a deficiency judgment.

It hardly seems to me proper to take up so much of your time in considering this matter. It is difficult, however, to apprise you of what the law offices know is the practical situation and hold down the statements to reasonable brevity. I commend to you, if you have not already read it, the article in *Colliers*, and also shall be very glad to elaborate this statement, giving you a complete transcript of foreclosures and their practical basis, as exemplified by our records here.

If I may talk in the abstract for a paragraph or two, I wish to say that a complete and thorough congressional investigation of the operation of the Federal land banks should be made. I can name, of our most highly responsible farmers here, a goodly number who, if they produced the correspondence with their bank and narrated their experiences in this connection, would horrify any committee making the investigation.

I suspect that greed of gain is entering in and it seems to me high time that this institution should be thwarted in its apparent purpose to drive the farmers out of existence and make of them tenant farmers. I am satisfied that the truth is not known generally and I believe the *Colliers* article is putting the case mildly. I know that this letter only hints at the calamity that is rapidly overtaking our farmers in the Judith Basin.

It is my suggestion that those members of the national board should be most thoroughly investigated before appointment to the end that they prove not to be simply the agents of private capital, in doing what the act was not designed to do. I have no doubt that money has been made by the banks by the use of Federal appropriations in the repurchase of bond issues.

I am sure that if this has been called to your attention, you have taken steps to remedy the matter, but if perchance your information has come from official sources, I feel sure that that has been of a misleading nature. No investigation which does not result in the hearing of testimony of the borrowers will give any adequate idea of the autocracy of this institution in its operation.

For more than 20 years I have been connected with our local banks and I am now still a director in one of them, and I believe I understand sound banking and proper banking methods. I solicit from you such further correspondence in the matter as you care to have with me and assure you that I shall do everything in my power to acquaint you with the practical situation in any way

you suggest, but I do say without hesitation that if our farmers are to be saved something must be done, and done now.

I trust, my dear Senator, that I have not unduly burdened you with what, I think, is of great moment to our farmers, and I am sure that whatever seems advisable your experience will enable you to do.

With kindest personal regards, I am,  
Yours very truly,

H. LEONARD DEKALB.

#### REPORT OF THE PUBLIC LANDS AND SURVEYS COMMITTEE

Mr. WALSH of Montana, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 4674) authorizing the Secretary of the Interior to issue patents to school sections 16 and 36, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress, reported it with amendments and submitted a report (No. 1104) thereon.

#### ENROLLED BILL PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on to-day, January 21, 1933, that committee presented to the President of the United States the enrolled bill (S. 5059) to extend the time for completing the construction of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5476) granting a pension to Fannie Standiford (with accompanying papers); to the Committee on Pensions.

By Mr. MOSES:

A bill (S. 5477) granting an increase of pension to Jane Paro (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER (by request):

A bill (S. 5478) authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for certain coal lands, and for other purposes; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 5479) for the relief of George B. Marx; to the Committee on Claims.

By Mr. TYDINGS (by request):

A bill (S. 5480) giving the protection of the law to the worker's right to work and guaranteeing him an equal share of the employment available; forming trade associations to effectuate such rights and to enable such industries to stabilize business and to provide certain benefits for their employees; and imposing certain excise taxes; to the Committee on the Judiciary.

By Mr. HEBERT:

A bill (S. 5481) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader or bills in the nature of interpleader; to the Committee on the Judiciary.

By Mr. McNARY:

A bill (S. 5482) granting a pension to Thomas A. Rinehart (with accompanying papers); to the Committee on Pensions.

By Mr. FRAZIER:

A bill (S. 5483) authorizing the Secretary of the Interior in behalf of Indians to purchase the allotments of deceased Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. WALSH of Montana:

A bill (S. 5485) establishing a State game refuge on islands in the Egg Lakes in the White Earth Indian Reservation in the State of Minnesota; to the Committee on Indian Affairs.

#### CHANGES OF REFERENCE

On motion of Mr. NEELY, the Committee on Military Affairs was discharged from the further consideration of the bill (S. 2231) for the relief of Henry C. Perrine, and it was referred to the Committee on Naval Affairs.

On motion of Mr. BARBOUR, the Committee on Public Lands and Surveys was discharged from the further consideration

of the bill (S. 5469) to provide for the creation of the Morristown National Historical Park in the State of New Jersey, and for other purposes, and it was referred to the Committee on Public Buildings and Grounds.

#### AMENDMENT TO THE TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. HEBERT submitted an amendment intended to be proposed by him to House bill 13520, the Treasury and Post Office Departments appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 79, line 18, after "16," to insert "(a)"; and on page 80, after line 7, to insert the following:

"(b) Section 319 of Part II of the legislative appropriation act, fiscal year 1933, shall not apply to any refund or credit allowed by the Commissioner of Internal Revenue prior to July 1, 1932, on account of an overpayment in respect of any internal revenue tax. Appropriations for the payment of any such refund, as well as for the payment of interest upon any such refund or credit, shall be available for the payment of principal and interest computed in accordance with the laws with respect to interest in force at the time of the allowance of such refund or credit."

#### EXPENSES, THIRD INTERNATIONAL CONFERENCE ON PRIVATE AERIAL LAW (S. DOC. NO. 175)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on Foreign Relations, and ordered to be printed, as follows:

#### To the Congress of the United States:

I commend to the favorable consideration of the Congress the inclosed report from the Secretary of State to the end that legislation may be enacted authorizing an appropriation in the sum of \$3,500 for the expenses of participation by the United States in the third international conference on private aerial law to be held in Rome, Italy, in 1933.

HERBERT HOOVER.

THE WHITE HOUSE, January 21, 1933.

#### REPORT OF THE ALIEN PROPERTY CUSTODIAN

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on the Judiciary, as follows:

#### To the Congress of the United States:

In accordance with the requirements of section 6 of the trading with the enemy act, I transmit herewith for the information of the Congress, the annual report of the Alien Property Custodian on proceedings had under the trading with the enemy act for the year ended December 31, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, January 21, 1933.

#### PROHIBITION REPEAL—ADDRESS BY JOUETT SHOUSE

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD excerpts from an address by Hon. Jouett Shouse upon the repeal of the eighteenth amendment, the address having been delivered on January 17 at Louisville, Ky.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The outcome of repeal legislation at the moment hangs in the balance. It would be perfectly simple to get Congress to submit a resolution modifying the eighteenth amendment. The recent action of the Judiciary Committee of the Senate indicates that it may be quite difficult—if not impossible—to secure from the present Congress a resolution for outright repeal.

On the opening day of the winter session there was offered in the House of Representatives a proposal which met the expectations of the country with reference to repeal and which fulfilled the promise of the Democratic platform—a pledge that received overwhelming indorsement in the November elections. This resolution, presented under suspension of the rules and not subject to amendment, received a vote of 272 as against 144, only 6 less than the two-thirds necessary to its passage through the House.

That vote represented a sweeping victory for repeal because the same House less than nine months before had refused even to consider mere modification by a vote of 187 for and 227 against the motion to bring up the Beck-Linthicum measure for action.

Monday of last week the Judiciary Committee of the Senate reported out a resolution to be considered in that body. This resolution represents an unfortunate attempt at political expediency. It seems an apparent effort to ignore the mandate of the



people as given in the last election and to continue the ignoble experiment of Federal control of legislation which affects peculiarly the life and habits of the people and which, under our form of government, has its only proper place in the several States.

The first section of this Senate anomaly provides for the repeal of the eighteenth amendment. The next two sections nullify the first, for they seek, instead of correcting the situation that has grown up with the attempt of Federal enforcement of a police statute, to prolong the necessity of Federal jurisdiction in an intolerable way.

With section 2 of the resolution I have no particular quarrel, although admittedly it is superfluous. It would seek to put into the Constitution the protection of so-called dry States against the shipment of liquor from outside territory. The power to afford such protection is already inherent in the Congress under the commerce clause of the Constitution, and legislation with this in view has been on the statute books for years, as embodied in the Webb-Kenyon law and the Reed rider of the postal appropriation bill.

The constitutionality of the Webb-Kenyon Act was attacked immediately after its passage some 20 years ago. The case wended its tortuous way through the courts and a decision was not handed down by the Supreme Court for approximately four years, but that decision when made upheld the constitutionality of the law and thus upheld the right of Congress under the commerce clause of the Constitution to pass all legislation necessary to protect States whose laws prohibit the importation or sale of spirituous liquors from invasion of their rights. Moreover, the validity of the Webb-Kenyon Act and of other legislation along similar lines has been in no wise affected by the adoption of the eighteenth amendment or the passage of the Volstead law. This fact was emphasized by the Supreme Court in a decision rendered as recently as May of last year.

In these circumstances it is apparent that the constitutional power embodied in section 2 of the resolution now pending before the Senate is wholly unnecessary. As before stated, however, I have no particular quarrel with this proposed provision, for if its inclusion in the repeal resolution will give a greater feeling of security to those States which may desire to remain dry after the repeal of the eighteenth amendment, then I am perfectly willing that they should have such assurance.

It is with the third section of the pending resolution that I take definite issue. That section reads as follows: "Congress shall have concurrent power to regulate or prohibit the sale of intoxicating liquors to be drunk on the premises where sold."

An expression of intent which starts out with provision for repeal of the eighteenth amendment and later embodies within its terms the assertion of Federal power in the control of the method of the sale of liquor is wholly inconsistent. It is neither fish, flesh, nor fowl, nor even good red herring. The attempt to enforce it would involve most of the evils of the present system and probably new evils of which we do not now have knowledge. It would mean a continuance of huge Federal expenditures to maintain an army of snoopers and snipers. It would mean a continuance of the reign of racketeering and crime, of bribery and corruption, of Federal interference in the lives and habits of the people.

The Chicago Tribune puts it this way: "The folly of such a provision is not a matter for rational argument. It has been demonstrated by experience. It will perpetuate the speakeasy. It will keep prohibition in national politics. It will perpetuate the revolt of the people of the so-called wet States against the imposition of the will of dry States if the latter can muster a majority in Congress. It will leave the door open to a continuance of the methods of Federal enforcement, including the murder of citizens and the confiscation of property."

Some distinguished Members of the Senate have ventured the opinion that the concurrent power sought to be given would never be exercised by Congress. If that be true, then why confer it? The history of national legislation, however, has shown that wherever concurrent power or any other power was conferred Congress very promptly has proceeded to take advantage of the authority. And if the distinguished apologists for this indefensible section are right in their surmise that Congress might not at first care to exercise its jurisdiction, is it not irrefutable that there would be continuous effort by overzealous prohibitionists to induce, if not to compel, the Congress to legislate in accordance with this proposed section of the repeal amendment?

The practical fact is—and it is recognized by even those advocates of the section who are honest in their expressions concerning it—that this provision has been injected in order that there may be a continuance of Federal authority over a function that belongs peculiarly and properly to the States. The practical result is certain to be a renewed agitation of the whole prohibition question every time Congress meets, with the inevitable result of increased confusion and continuous discussion to the detriment of all proper duties of the National Legislature. As the New York Herald Tribune says, "the attempt would simply perpetuate the conditions of lawlessness that now prevail. And the authority to make it would render Congress forever a battle ground of the liquor controversy to the exclusion of its proper function."

And your own influential newspaper, the Louisville Courier-Journal, remarks that: "Instead of settling the disturbing liquor question, it would perpetuate that question. For every congressional campaign would be a desperate fight between the dries and the wets for the control of Congress, as the dries would realize that only through their control of Congress would they be able to con-

trol and abolish the rights of the States to attend to their own business in the regulation of the liquor traffic."

The Association Against the Prohibition Amendment does not desire to attempt dogmatic jurisdiction over legislation for prohibition reform. We do not believe that any outside group should assume to set itself up as the arbiter of congressional action. On the other hand, we feel that Congress is the servant, not the master, of the people, that its members have been chosen to make effective the popular will, and that where the people have expressed themselves clearly upon any given proposition the Congress which represents them must promptly and honestly put the mandate into effect.

As to the mandate of the last election there is no question. The men and women of America want the opportunity to pass upon the question of outright repeal of the eighteenth amendment. They do not purpose that the issue shall be circumscribed or embarrassed or confused by a lot of qualifications. The Senate resolution represents not what the people want or what they expect. It represents a perverted attempt to appeal to both wets and dries. It does not contemplate repeal of the eighteenth amendment but rather an abortive substitute which fails to embody what the people demand and what they are entitled to have.

In my judgment this deceptive make-shift will not pass, but, speaking for the Association Against the Prohibition Amendment, if by any chance it should receive the necessary votes in the two Houses of Congress and be offered to the States for adoption, we shall do all we can to persuade the States to withhold ratification. There is both a duty and a responsibility involved to those groups which have contended for repeal. They must try to see that the character of resolution offered represents an honest attempt to deal with a grave problem. Our association would stultify its mental integrity, it would cast aspersions upon the reason for its creation, it would destroy the work of education that it has carried on for 12 years if it gave approval to—indeed if it did not frankly condemn—such a proposal as that brought forth by the Judiciary Committee of the Senate.

The New York Times made the following editorial comment in its issue of January 11:

"To add the last stroke of genius to this masterpiece of evasion, ratification by legislatures is substituted for ratification by State conventions."

It will be recalled that both the Republican and Democratic platforms adopted last June specified that any suggested constitutional amendment bearing upon prohibition should be referred for ratification, not to the legislatures of the several States but to conventions in the several States. Opposed in their attitudes on many phases of the subject there was absolute accord upon this provision. Further, it should be borne in mind that while in each convention two different platform planks upon prohibition were offered, every proposal that was considered embodied the convention method of reference. And to this provision not the slightest protest was made in either convention. Has it come to the point that Members of Congress will sit as delegates to a party convention and indorse one method of procedure which constitutes a definite pledge to the electorate and then sit as Members of Congress and adopt a form of procedure that is absolutely contrary to the promises made? By what excuse can such conduct be justified? Are party platforms to be considered mere scraps of paper? Do they represent the attempt to deceive rather than to educate the public as to what may be expected?

Naturally, there was a reason for the declaration in favor of the convention method of ratification. When President Hoover's Wickersham Commission made its report it called attention to the fact that the eighteenth amendment had been submitted for action by legislatures, thus depriving the masses of the people of any right to express themselves upon it. This circumstance was emphasized by the commission as one of the justified reasons for widespread dissatisfaction with the ratification of the amendment.

There can be no argument that if, even remotely, the attempt is to be made to establish a popular referendum upon the question of repeal it can be secured only through provision for ratification by State conventions. Members of legislatures are elected because of a variety of reasons. In the case of the legislatures now in session, or that will convene later this year, there was no contest anywhere between candidates on the subject of prohibition. The country accepted the mandate of the party platforms and assumed that Congress without question would refer its repeal proposal to conventions rather than to legislatures. But now it is urged in the Senate that the platform promises be entirely ignored, that the people again be deprived of the right to pass upon a question which so closely affects them, and that barter and trade and log-rolling, such as would be possible upon this subject in a legislative body, shall supersede direct expression of the popular will through State conventions.

It has been pointed out by the Scripps-Howard newspapers that under the legislative systems now prevailing in the States of the Union 132 State senators in 13 States would have it in their power to defeat ratification of the amendment. The opportunity so to do will be provided if the pending resolution should pass.

The legislative apportionment in the various States is not based upon population. The rural sections have representation that is wholly disproportionate to the urban centers. In some instances one member of the State senate is provided for each county, and whether the population of a county is 500 people or 500,000 people the system is not changed. Thus it is clear that our State legislatures as at present constituted do not offer the opportunity to



express the popular will or voice views that might obtain as a result of actual popular vote.

Upon what ground is excuse made for this action of the Judiciary Committee of the Senate? In so far as the press discloses its proceedings the motive of economy is given as the reason. It is asserted that the election of delegates to the State conventions and the holding of such conventions would involve an expense to the Federal Government of perhaps \$10,000,000.

Probably that is true. Let us accept it as a correct figure. Let us assume that the expense may reach an even larger sum. Even in these times of depression, would the Government not be justified in such an appropriation in order to secure an unqualified expression of the popular will upon this vexing and controversial question? And would it not be worth all that is suggested, and much more besides, for the people to have the opportunity to root out of their Constitution a police power which never belonged there and return to the States control over the entire liquor question?

It is undenied even by the most ardent advocate of prohibition that literally billions of dollars are involved now in the illicit liquor industry, and the Federal Government not only gathers no tax therefrom but is put to the expense of multiplied millions each year in the attempt to enforce an unenforceable law. On the ground of betterment of the fiscal affairs of the Nation there is every argument for prohibition reform. But there is even a higher right. The people of this country must be given the privilege of expressing themselves through their own conventions in the several States as to their wishes either for or against repeal. To-day there is widespread controversy as to how the people stand. Let us find out. The only method whereby a determination can be had is through the convention method of ratification.

Perhaps it is a mere coincidence, but there is a startling analogy in the fact that the defenders of the eighteenth amendment, those who earnestly advocate its continuance and its further attempted enforcement, practically without exception, take the position that if any resolution is to be submitted it shall be referred to legislatures. They admit that they propose this method because it will mean delay. Is not this of itself a compelling reason why those who favor repeal should insist upon reference to conventions? Certainly they may be assured thereby of two things: First, far more prompt action than could be achieved through legislatures, and, second, the opportunity for an honest and uncircumscribed expression of the popular will.

The Baltimore Sun takes the following editorial position: "There are compelling reasons why the issue should not be submitted to State legislatures. To do so would likely cause prolonged delay, inviting nation-wide participation in the fight in every State, offering opportunities for corruption, plunging the country into continued excitement and bad feeling, to say nothing of the chaotic conditions that would prevail while the issue was being settled."

A surprising development of the whole prohibition agitation of the last two months has been the assertion by many well-intentioned men and women, who honestly believe the eighteenth amendment should be retained, that the issue of prohibition was not involved in the recent election. Some of them have gone so far as to say that the people did not express themselves upon the question even remotely, that other considerations were responsible entirely for the verdict given.

It is interesting to contrast the contentions now voiced by these zealous advocates with their expressions following the election of 1928. Without exception they claimed in November of 1928 that the election of Herbert Hoover and a Republican Congress constituted a mandate from the American voters for retention of the eighteenth amendment. They declared unequivocally that it was a clear indorsement of national constitutional prohibition. For example, Mrs. Henry W. Peabody, chairman of the Women's National Committee for Law Enforcement, used this significant language:

"The election of Herbert Hoover is the answer to the cry for a referendum on the eighteenth amendment. The voters have declared they want more, not less, prohibition; more, not less, enforcement of the eighteenth amendment. Mr. Hoover and the Republican Party have received a mandate on this amendment." Mrs. Peabody asserted that the issue of the 1928 elections was "not the tariff nor the farm issue nor prosperity" but that it was prohibition.

Dr. F. Scott McBride, superintendent of the Anti-Saloon League, declared in 1928: "Hoover's overwhelming victory is conclusive proof that the great majority of the American people wish prohibition to succeed. This result is an impressive and decisive repudiation by the people of the Association Against the Prohibition Amendment."

The Rev. Dr. Clarence True Wilson, general secretary of the Board of Temperance, Prohibition, and Public Morals of the Methodist Episcopal Church, went a step farther. He said: "If Governor Smith and his partisans have the slightest regard for the interests of the Democratic Party, not to say of the country, they will surely accept the result of the election as final evidence that prohibition is the settled policy of the American people."

I have no desire either to challenge or to defend those interpretations of the election of 1928, but I have the right to insist that the men and women favorable to the eighteenth amendment shall be consistent.

Wholly aside from the fact that it was a Democrat rather than a Republican who was elected in 1932—and our association knows no partisanship—it is, of course, a matter of record that a presi-

dential candidate who stood 100 per cent for outright repeal and candidates for the Senate and House who stood with him on that platform were chosen over those who adhered to the principle of retention of a police regulation in the National Constitution. If our friends among the drys correctly analyzed the election results of 1928, will they not be equally frank in their acceptance of the results of 1932?

The Rev. Dr. Daniel A. Poling, chairman of the allied forces for prohibition, issued a statement to newspapermen in Washington on August 14 last, three days after President Hoover's acceptance speech. Doctor Poling declared he started out with an organization of 1,500,000 voters who would support Mr. Hoover while seeking to bring about the election of Members of the Senate and House who would oppose submission of the issue of repeal to the American people.

"The allied forces," Doctor Poling said, "will conduct an aggressive campaign for the election of Senators and Representatives, whether they be Democrats or Republicans, who are against repeal."

In a subsequent exchange of telegrams with President Hoover, made public on August 23, Doctor Poling said the indorsement of Mr. Hoover by the allied forces had received the "overwhelming approval" of the members of the various dry organizations, and he added, "This indorsement is already a rising tide that will, I believe, directly and largely affect election results in many States."

At Winona Lake, Ind., on August 19, 1932, Doctor McBride, of the Anti-Saloon League, stated the issue clearly and accurately when he said: "Our major task as to the coming campaign is clearly presented in the election of Congressmen, who, in the last analysis, have sole responsibility for amending the Constitution. We will support those candidates who stand definitely committed in opposition to either repeal or modification."

Doctor McBride and his associates had every right to do just what he suggested. I have not the slightest doubt that they carried out literally the plan made clear in his statement and that they placed behind candidates for national legislative office, who agreed with their views on the prohibition question, all of the vast resources of their combined organizations. I am happy that they did. It clarified the whole question. It made the issue plain to every voter. The result was recorded. Throughout the country those who stood for repeal were swept into office by overwhelming majorities, and the obviously proper course now is that the outcome be accepted and effort not be made to deny that prohibition was the real issue in multiplied instances.

The advocates of retention of the prohibition amendment of whom I speak are excellent men and women—law-abiding, God-fearing citizens. I question neither their loyalty nor their patriotism nor their good intent. And I call upon them, if they meant what they said with reference to the 1928 election, to accept the mandate of the election of 1932. I call upon them to cease their claims that the chosen national legislators were placed in office solely because they were Democrats, not because they were for repeal, and that therefore they have neither moral obligation nor political responsibility to support the platform declaration of the Democratic Party.

In no election in the history of our country has there been so overwhelming a majority given, both by popular vote and in the electoral college. The administration that comes into power on March 4, and the Congress chosen to serve with it, are charged with grave responsibility. The platform upon which these candidates stood represents their sacred compact with the American people. No other plank of that platform was quite so explicit, no other promise was quite so definite, as the pledge for repeal of the eighteenth amendment. The Seventy-third Congress is bound in a most positive way to meet the expectations of the people. I have every faith in its good intent and in its honesty of purpose. I feel assured that the resolution now pending before the Senate of the Seventy-second Congress, unless corrected to conform to Democratic platform promises, will be defeated in one or the other house of that Congress. I feel equally certain that among the first acts of the initial session of the Seventy-third Congress will be a resolution calling for outright repeal of the eighteenth amendment to be acted upon in conventions of the several States.

#### RESTRICTIONS APPLICABLE TO THE FIVE CIVILIZED TRIBES— CONFERENCE REPORT

Mr. ROBINSON of Indiana obtained the floor.

Mr. FRAZIER. I present the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to House bill 8750. I understand that it is a privileged matter, and I ask unanimous consent that the report may be immediately considered.

The VICE PRESIDENT. Let the report be read.

Mr. GLASS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GLASS. Under what order of business are we now proceeding?

The VICE PRESIDENT. The bill of which the Senator from Virginia is in charge is now before the Senate, but the presentation of the report submitted by the Senator from



North Dakota is privileged and will not interfere with the bill of the Senator from Virginia.

Mr. LONG. It is privileged?

The VICE PRESIDENT. It is a privileged matter. The clerk will read the report.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8750) relative to restrictions applicable to Indians of the Five Civilized Tribes in Oklahoma, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, and 4; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert:

"Sec. 2. The Secretary of the Interior be, and he is hereby, authorized to permit, in his discretion and subject to his approval, any Indian of the Five Civilized Tribes over the age of 21 years having restricted funds or other property subject to the supervision of the Secretary of the Interior, to create and establish, out of the restricted funds or other property, trusts for the benefit of such Indian, his heirs, or other beneficiaries designated by him, such trusts to be created by contracts or agreements by and between the Indian and incorporated trust companies or such banks as may be authorized by law to act as fiduciaries or trustees: *Provided*, That no trust company or bank shall be trustee in any trust created under this act which has paid or promised to pay to any person other than an officer or employee on the regular pay roll thereof any charge, fee, commission, or remuneration for any service or influence in securing or attempting to secure for it the trusteeship in any trust: *Provided further*, That all trust agreements or contracts made or entered into prior to the date of approval of this act, and all contracts or agreements made or entered into prior to said date providing for or looking to the creation of such trust or trusts shall be null and void unless such contracts or agreements shall have heretofore been approved by the Secretary of the Interior.

"Sec. 3. The Secretary of the Interior be, and he is hereby, authorized, upon the execution and approval of any trust agreement or contract as herein provided, to transfer, or cause to be transferred, to the trustee, from the individual restricted or trust funds or other restricted property of the respective Indian, the funds or property required by the terms of the approved agreement, and the funds or property so transferred shall in each case be held by the trustee subject to the terms and conditions of the trust agreement or contract creating the trust, separate and apart from all assets, investments, or trust estates in the hands of said trustee.

"Sec. 4. None of the restrictions upon the funds or property transferred under the terms of any such trust agreement or contract shall be in any manner released during the continuance of the restriction period now or hereafter provided by law, except as provided by the terms of such agreement or contract, and neither the corpus of said trust nor the income derived therefrom shall, during the restriction period provided by law, be subject to alienation, or encumbrance, nor to the satisfaction of any debt or other liability of any beneficiary of such trust during the said restriction period. The trustee shall render an annual accounting to the Secretary of the Interior and to the beneficiary or beneficiaries to whom the income for the preceding year, or any part thereof, was due and payable.

"Sec. 5. Trust agreements or contracts executed and approved as herein provided shall be irrevocable except with the consent and approval of the Secretary of the Interior: *Provided*, That if any trust, trust agreement, or contract be annulled, canceled, or set aside by order of any court, or

otherwise, the principal or corpus of the trust estate, with all accrued and unpaid interest, shall be returned to the Secretary of the Interior as restricted individual Indian property.

"Sec. 6. If, after the creation and approval of any trust, it is found that said trust was procured in violation of any of the provisions of this act, or that the trustee designated therein has failed or refused to properly perform the duties imposed thereby, in accordance with the terms, provisions, and requirements of said trust agreement, it shall be the duty of the Attorney General to institute appropriate proceedings in the Federal courts for the cancellation and annulment of said trust by court decree, and upon decree of annulment and cancellation, which shall be at the cost of the trustee, and after accounting, but without the allowance of any fee, charge, or commission for any services rendered by the trustee, all funds held by the trustee shall be paid to the Secretary of the Interior as restricted funds, and the Federal courts are hereby given exclusive jurisdiction of all actions involving an accounting under any trust created under the provisions of this act, and all actions to cancel, annul, or set aside any trust entered into pursuant to this act.

"Sec. 7. The Secretary of the Interior is hereby authorized to prescribe such rules and regulations as he may deem necessary for the proper administration of this act. He shall fix and determine the value of each trust, reviewing such valuation from time to time as he may deem necessary, and, for the faithful performance of each trust agreement or contract, shall require corporate surety company bond equal to the value of the respective trust so fixed and determined, or the deposit of securities of the United States Government equal to such amount: *Provided, however*, That trusts created under the provisions of this act shall not extend beyond a period 21 years after the death of the last survivor of the named beneficiaries in the respective trust agreement."

And on page 2, line 18, of the House bill, strike out "2" and insert "8."

And the Senate agree to the same.

LYNN J. FRAZIER,  
THOS. D. SCHALL,  
ELMER THOMAS,

*Managers on the part of the Senate.*

EDGAR HOWARD,  
SCOTT LEAVITT,

*Managers on the part of the House.*

The VICE PRESIDENT. Is there objection to the consideration of the conference report?

Mr. KING. Mr. President, may I inquire of the chairman of the committee the full import of the conference report? Does it mean that the restrictions, if any, heretofore imposed by law upon the alienation of property shall be removed or that they are continued?

Mr. THOMAS of Oklahoma. Mr. President, may I answer that question?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Oklahoma?

Mr. FRAZIER. I yield.

Mr. THOMAS of Oklahoma. I am sure this matter will take only a moment. The conference report has to do entirely with a measure affecting the Five Civilized Tribes in Oklahoma. By operation of law the restriction period expired on certain funds and property about two years ago. This measure seeks to reimpose restrictions upon some of the large estates and vast sums of money in my State. That is the restriction feature of the bill. The second part is a trust provision similar to the bill which passed this body some five times. It adds to the restriction bill and makes it permissible for the Secretary of the Interior to create a trust estate for some of these rich Indians so that their funds may be protected and preserved. That is the whole import of the proposed law.

Mr. KING. If this bill does not remove restrictions on the alienation of land, I have no objection to it.



Mr. THOMAS of Oklahoma. It seeks to reimpose restriction upon certain Indians.

Mr. KING. I have no objection.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. LONG. Mr. President, I should like to discuss the matter for a few moments.

Mr. ROBINSON of Indiana. Mr. President, I can not yield for a discussion if it will take any considerable time.

The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. LONG. I beg the Senator's pardon. I do not care to go ahead of the Senator from Indiana.

The VICE PRESIDENT. All in favor of adopting the report—

Mr. LONG. Mr. President, have I not the right to speak on that question?

The VICE PRESIDENT. The Senator has if there is no objection to the consideration of the report; but if there is objection, the report will remain on the table.

Mr. ROBINSON of Indiana. Let me inquire if the Senator from Louisiana expects to consume much time in what he has to say.

Mr. LONG. I should say I would occupy about 15 or 20 minutes.

Mr. ROBINSON of Indiana. Then, I should like to proceed with the remarks I desire to make.

The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. ROBINSON of Indiana. May I suggest to the Senator from North Dakota that the matter he has before the Senate at this time be held in abeyance for a few moments, until I shall have concluded? I think I will not detain the Senate more than a few moments.

Mr. LONG subsequently said: Mr. President, I wish to withdraw my objection to the conference report submitted by the Senator from North Dakota and allow it to go through.

The VICE PRESIDENT. The question is on agreeing to the conference report submitted by the Senator from North Dakota.

The report was agreed to.

#### BANKING ACT

The Senate resumed consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. The Senator from Indiana [Mr. ROBINSON] has the floor. Does he yield to the Senator from Montana?

Mr. ROBINSON of Indiana. I yield briefly.

Mr. WHEELER. In order to save time, I was going to ask unanimous consent that the Senate take a vote on the Bratton amendment out of order, and for that purpose that there be laid aside temporarily the pending amendment and that the vote on the Bratton amendment be had at 1 o'clock today. I ask that my request for unanimous consent may be put.

The VICE PRESIDENT. Does the Senator from Indiana yield for that purpose?

Mr. ROBINSON of Indiana. If the Senator will make it 1.30 o'clock, I think I shall be through long before 1 o'clock; but it will necessitate a quorum call, and I suggest, anyway, that he make the hour 1.30 o'clock.

Mr. ROBINSON of Arkansas. Action on the request will not require a quorum call.

The VICE PRESIDENT. A quorum call would not be required under the unanimous-consent request as proposed.

Mr. ROBINSON of Arkansas. An agreement to vote on the amendment, if it should be made, would not require a call for a quorum.

Mr. ROBINSON of Indiana. Very well; I have no objection at all. I hope I will be through, and I think I shall, before that time.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. VANDENBERG. Let it be stated.

The VICE PRESIDENT. Will the Senator from Montana repeat his request?

Mr. WHEELER. I ask unanimous consent that at 1 o'clock—I am not particular as to the exact hour and am willing to make it 1.30, if that is more satisfactory—that the pending amendment be temporarily laid aside and that the Senate take a vote on the so-called Bratton amendment at that time.

Mr. LONG. Mr. President, I wish to concur in the suggestion of the Senator from Montana. The Senator from New Mexico, as I understand, intends to offer his amendment in a somewhat modified form, with some slight corrections. Would it not be better to offer it now?

Mr. ROBINSON of Indiana. Mr. President, I am sorry that I can not yield indefinitely.

The VICE PRESIDENT. The Senator from Indiana declines to yield further. The Senator from Indiana has the floor.

Mr. ROBINSON of Indiana. I do not like to object, but I am a little fearful that I might not be able to finish within the time suggested.

Mr. WHEELER. I suggest that a vote be taken at 1.30, and I am assuming that the vote will be taken on the Bratton amendment as perfected by the Senator from New Mexico.

Mr. BRATTON. Mr. President, before the amendment is formally offered, I wish to perfect it in certain respects. Virtually all Senators interested in it are familiar with the proposed changes. I am entirely willing to offer it at 1.30, after having perfected it, and I should like to have a vote on it at that time.

The VICE PRESIDENT. The amendment of the Senator from Louisiana will have to be disposed of, because no other amendment is in order at this time.

Mr. LONG. We are asking for unanimous consent to allow the Bratton amendment to go ahead of all other amendments. That can be done, as I understand, only by unanimous consent.

Mr. SMOOT. Mr. President, if this matter is going to lead to any further debate, I shall object.

Mr. FESS. Question!

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. VANDENBERG. Mr. President, I am perfectly willing to facilitate the procedure as indicated, but I think we should have a few moments to understand the Bratton amendment when it is submitted. If the Senator from Indiana is going to occupy the floor until 1 o'clock or 1.30 o'clock, I submit it would scarcely be fair to call for an immediate vote thereafter. I suggest to the Senator from Montana that he renew his request when the Senator from Indiana shall have concluded, and suggest an hour beyond the time when the Senator from Indiana shall have finished.

Mr. WHEELER. That is perfectly satisfactory to me.

#### FOREIGN DEBTS

The VICE PRESIDENT. The Senator from Indiana will proceed.

Mr. ROBINSON of Indiana. Mr. President, Mr. Roosevelt, the President elect of the United States, has come and gone and reverberations in the public press have followed. Some of the headlines in this morning's newspapers, Mr. President, are disturbing to some of us who believe that the Congress of the United States has declared its policy on the foreign debts; and since the Congress of the United States has full authority to declare a policy on this question, it seems scarcely within the province of either the President or the President elect to undertake to alter that policy which has been definitely stated and in emphatic terms.

Mr. President, this morning the Baltimore Sun carries a headline reading as follows:

Doors opened wide by United States for debt adjustments by nations in good standing.

The "door is opened wide," although we had supposed, after Congress had acted last year, that the door had been definitely closed on that proposition.

The Philadelphia Inquirer carries a headline this morning reading as follows:

Roosevelt acts to reopen talks on British debt.

The Washington Post carries this headline:

Britons invited here to reopen debt issue.

And then follows a story, a part of which I read at this time:

Three hours after President-elect Roosevelt had left for his sojourn South yesterday Secretary of State Henry L. Stimson formally invited the British Government in his name to send representatives to Washington to confer on the war debts and "ways and means for improving the world situation." The invitation was transmitted through the British ambassador, Sir Ronald Lindsay, who called at the department last night to receive the invitation orally.

Then I read this statement from the same article:

The initiative for the step was taken by the President elect himself in the course of his informal talk with Colonel Stimson a fortnight ago.

It was learned authoritatively that the British Government has been making inquiries over a considerable period of time as to the most expedient way of opening the debt negotiations.

Mr. President, this is all amazing, I imagine, to the Members of both Houses of Congress who have declared their position in no uncertain terms on this question. Of course, everyone must understand perfectly that it merely gives encouragement to all those nations which owe enormous debts to the people of the United States to default in the payment of those obligations.

There is a very enlightening article in the New York Times of this morning, a part of which I quote:

Some observers are disposed to believe that, on the other hand, Mr. Roosevelt was warned last night by Democratic leaders that the next Congress will not agree to any reductions in the debt of any country, and that he authorized to-day's communiqué in part to inform those leaders that he is determined that they shall change their minds in the case of Great Britain. That, they assert, is the reason why, though he later said that "all debtors" may come to Washington with their cases, the request of Great Britain was stressed.

Mr. President, I do not know what authority the press has for making these statements, but I do know that the American press is usually exceptionally well-informed, and I assume that what has been written by various representatives of the press in the quotations I have read has been based largely on factual knowledge.

Mr. President, I wish either Mr. Hoover or Mr. Roosevelt would walk out on the street and talk to any 10 American citizens on this question, and I think they would find that 10 out of the 10 are opposed to transferring to the backs of the American taxpayers these enormous debts due from Europe to the American people. There is no question in the world but that they are taxed to death now—the farmers of the country, the small property owners, and the people generally—and here now again the whole thing is to be reopened. We are to have more negotiations about these debts, when, as has been stated time and again on this floor, and no one will controvert the statement, the debtor nations have had the debts canceled already, completely and more, to overflowing. All in the world the Debt Funding Commission has asked them to do is to pay the interest over a period of 62 years; and that interest will be less than 4 per cent, while the American taxpayer must pay the debts twice if they are transferred back to his shoulders. He must pay the 4 per cent interest on the bonds and he must pay the principal as well.

Apparently our statesmen, especially in executive office and those who are to be in executive office, have far more regard for Europe and Europe's welfare than for the welfare of the American people, sorely overburdened as they are at the moment, to say nothing of the economic distress that exists all over the land. We still owe more than \$20,000,-

000,000 of this bonded indebtedness in principal, all of which must be paid.

Mr. President, it seems to me that statements of this kind coming from both the outgoing President and the incoming President are not only disconcerting to the American people, but they must be positively startling.

I wish Mr. Roosevelt, so far as he is concerned—and he has my best wishes; God knows I want the country to get out of this depression at the earliest possible moment, because the situation is almost as grave as it possibly could be—but I wish Mr. Roosevelt, coming into the Presidency on March 4, would concentrate his intellect and his powers of thinking and all his faculties on how to remedy the situation for the American people and forget about Europe and the rest of the world for a moment, and try to solve some of the problems we have confronting us here. I think that sort of concentration is the thing that the American people are looking forward to.

I do not seem to have at hand the exact wording of the statement given out, but I suppose it is not necessary to read it. The gist of it all has been given in what I have said before. The joint statement issued by the incoming President and the outgoing President, or in their names, was to the effect that the representatives of Great Britain had been invited here; and, of course, that is confirmed in what was said before.

I note, too, Mr. President—though I shall not take the time to read what has been said—that the debtor nations generally and in their press are quoted as being immensely pleased with the result of these conferences between these two distinguished American citizens—one the present Chief Executive and the other to come into that high office on March 4.

Mr. President, I submit that the Congress of the United States ought to protest against this usurpation of authority, because that is unquestionably what it is. The authority belongs to Congress to declare this policy. Congress has spoken, definitely and positively; and there should be no attempt on the part of anybody to set aside that policy, which has been so thoroughly and emphatically stated.

Mr. ROBINSON of Arkansas. Mr. President, with many of the statements made by the Senator from Indiana [Mr. ROBINSON] during the course of his speech yesterday I am in sympathy. I do not feel, however, that the address delivered by him this morning is just; and for that reason exception to some of his statements is taken.

He has declared that it is a usurpation of authority for the President, or the President elect acting in anticipation of his coming into responsibility, to discuss a question with a foreign nation at the request of that government.

So far as I can recall, there never has been an instance when a courteous application for the discussion of an international question, or of a question that involves international relations, has been made by one government to another that it has been denied.

With respect to the declaration that it is a usurpation of authority by the President, let me point out to the Senator from Indiana what, in his less agitated moments, he must know and recognize to be the fact:

The President, under the Constitution, is charged with the responsibility of conducting foreign relations; and under that power he can discuss, or for that matter negotiate, with every recognized government. So that it is an erroneous statement of fact, not to say a misrepresentation, for the Senator from Indiana to assert that in complying with the request of the British Government for a discussion of the subject of war debts the President is usurping authority.

Mr. ROBINSON of Indiana. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. ROBINSON of Arkansas. Yes.

Mr. ROBINSON of Indiana. That is perfectly proper. The American Government can discuss any question with a foreign government; but I submit to the Senator from



Arkansas—for whom I have the highest personal regard, as he well knows—that we have all the machinery for that sort of negotiation. We have an ambassador at the Court of St. James. They have an ambassador here. We have embassies or legations in the capitals of all of these debtor nations; and those negotiations should be conducted through the regular channels.

I understood at one time that that was the position taken by the President elect, which position seems to have been changed; nor should I quarrel with that. It is perfectly proper for negotiations to be conducted from time to time between governments. What I object to is the proposition of reopening the whole debt question when Congress says it has been closed, and having representatives come from those countries to this country for the purpose of reopening these negotiations. Everybody in the world knows that as soon as they are reopened it means reduction or cancellation, or both, and that is the whole purpose of reopening negotiations.

Mr. ROBINSON of Arkansas. Mr. President, the admission made by the Senator from Indiana that it is not a usurpation of authority on the part of the President—

Mr. ROBINSON of Indiana. I have not made that admission.

Mr. ROBINSON of Arkansas. Well, Mr. President, will the Senator permit me to use a little of my own time? I say that he did make that admission. He said that he has no objection and recognizes the right of the Executive to conduct negotiations or discussions; but he insists upon imposing on the Executive his view as to the agencies or the manner of the discussion. That is a mere matter of detail.

I am inclined myself to believe that the diplomatic agencies are adequate for the discussion of questions that may arise on this subject; but I am not intrusted with the responsibility of determining that question.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Yes; I yield to the Senator for a question.

Mr. ROBINSON of Indiana. Does not the Senator, then, agree with me that since Congress has spoken and declared its policy on this very question, the Executive should have said to the representatives of these debtor nations, "The door is closed. Congress, which has the sole authority to close the door, has closed it. There is nothing to negotiate"?

Mr. ROBINSON of Arkansas. Mr. President, if that question were asked from a less respectable source, I would answer it in a manner different from the way in which I am going to answer it.

Why, Mr. President, certainly Congress can not foreclose the right of the President to discuss international questions. Certainly Congress can not prevent the President from negotiating on an international question.

I am in sympathy with the decision made by the Congress. I am in sympathy with the attitude taken by the Congress in its joint resolution respecting the subject of the payment or collection of war debts; but I do not approve an assertion that Congress is the only body that can negotiate about or discuss these questions. Indeed, Congress has no power in that particular.

I point out to the Senator from Indiana that before any arrangement can go into effect—if a new arrangement were to be proposed—it must either be ratified as a treaty by the Senate, or approved by the Congress in the exercise of its legislative authority.

Mr. President, the Senator from Indiana is playing cheap politics. He has not raised an issue in the interest of the American people as I conceive it. He is attempting to do the small thing of trying to arouse prejudice against the present President and against the incoming President, who, for reason, are cooperating, in a measure, on this subject; and that is not an exalted course to pursue.

In the conduct of international relations it has been the policy of most public men to abstain from partisan action. It is entirely true that political parties have adopted plat-

forms having relation to international issues, and it is proper that they shall do so. The Democratic Party, in its last platform, adopted a plank on this subject. The Republican Party was strangely silent.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Louisiana?

Mr. ROBINSON of Arkansas. I yield to the Senator.

Mr. LONG. I do not care what the Democratic Party and the Republican Party have adopted; is it not pretty well conceded that under the economic conditions now prevailing the countries can not discharge these obligations?

Mr. ROBINSON of Arkansas. Mr. President, it is contended by the British Government and by other governments that they can not meet their obligations according to the terms of their contracts, and they have asked us to hear them on that question. The Senator from Indiana would have the President of the United States, whether he be a Democrat or Republican, refuse the courtesy of a hearing. It will be time enough for the Senator from Indiana to offer criticism when the Executive authority presents to the Congress its treaty or its recommendation, if the Executive shall take that course.

Mr. ROBINSON of Indiana. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Indiana?

Mr. ROBINSON of Arkansas. I yield for a question.

Mr. ROBINSON of Indiana. It will be entirely too late then. The damage will all have been done. The reduction and the cancellation will be accomplished.

Mr. ROBINSON of Arkansas. Mr. President, I repeat, the Senator from Indiana has no right to assume that, because courteous consideration is extended to the British Government upon its request in connection with these debts, some effort is being made to do injustice to our own people. It would be an act of gross discourtesy to refuse the request of the British Government. I think the British Government is entitled to a hearing.

I recall that the British Government got the worst of the bargain when these debt settlements were being made.

Mr. ROBINSON of Indiana. Mr. President, will the Senator yield to another question?

Mr. ROBINSON of Arkansas. I yield.

Mr. ROBINSON of Indiana. Does the Senator think the British are less able to pay than the American people now are?

Mr. ROBINSON of Arkansas. That question has no relationship whatever to the subject I am discussing, and the Senator from Indiana must know that. I repeat the statement, that when a friendly government asks my Government to discuss an international question, I do not care who is President or what narrow-minded Senator objects, I am willing to extend that courtesy and take my share of the criticism that is involved in extending it.

The British Government had the worst of the bargain in the debt settlements, and if, while she is going forward meeting her obligation, and other governments better able to pay than she are refusing to meet their obligations, she asks for a discussion of the question as it affects her, it is inconceivable to me that any patriotic American would make politics out of it when the attempt is made to accord her reasonable consideration.

I do not wish to prolong this discussion. I thought—and it seems to me now—that the remarks this morning of the Senator from Indiana were calculated to create an erroneous impression, and to reflect themselves in prejudice. We may entertain all the prejudice we please against the British Government, but the British people are a great people. They are a courageous people. They have during the last 150 years had a great ruling group. It would be exceedingly unfortunate, in my judgment, if the Congress of the United States should place itself in an attitude of denying fair consideration to existing conditions and to questions and issues which the British Government asks the liberty of presenting to this Government.

I can conceive that a nation in default, admittedly able to pay, stands upon an entirely different basis. As far as I am concerned, that fact shall be kept in mind when an arrangement of readjustment is presented to the Senate for consideration and action, if any shall be presented.

Mr. ROBINSON of Indiana. Mr. President, I have located the statement as to the White House conference as it was printed in this morning's edition of the New York Times. I send it to the desk and ask that it be read.

The VICE PRESIDENT. Is there objection to the reading of the statement? The Chair hears none, and the Secretary will read as requested.

The legislative clerk read as follows:

#### STATEMENT ON WHITE HOUSE CONFERENCE

WASHINGTON, January 20.—Following to-day's conference between President Hoover and President-elect Roosevelt this statement was issued at the White House:

"The conference between the President and the President elect this morning was attended by Secretaries Stimson and Mills and Messrs. Norman Davis and Moley. The discussions were devoted mainly to a canvass of the foreign situation, and the following statement covering the procedure to be followed was agreed upon:

"The British Government has asked for a discussion of the debts. The incoming administration will be glad to receive their representative early in March for this purpose. It is, of course, necessary to discuss at the same time the world economic problems in which the United States and Great Britain are mutually interested, and, therefore, that representatives should also be sent to discuss ways and means for improving the world situation.

"It was settled that these arrangements will be taken up by the Secretary of State with the British Government."

Mr. ROBINSON of Indiana. Mr. President, I just wanted to make this brief rejoinder to the statement made by my good friend the Senator from Arkansas. I do not agree with him in the slightest degree that Great Britain got the worst of the deal. It is true, perhaps, that less favorable terms were accorded Great Britain than were accorded France and Italy.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator permit me—

Mr. ROBINSON of Indiana. When I finish this statement. All the principal of the debt was canceled, so far as Great Britain was concerned, and only a little more than 3 per cent interest did she agree to pay, over a period of 62 years, while our people must pay 4 per cent, and more, throughout the years, as well as the principal. In the funding of the indebtedness we have canceled the principal for debtor nations. Now I yield to the Senator.

Mr. ROBINSON of Arkansas. Mr. President, what I intended to say was that, taking into consideration the arrangements effected with other borrowers, Great Britain got the worst of the bargain. I thought that was the plain import of my language. If it was not, I make the statement now.

Mr. ROBINSON of Indiana. That may be true; but, as far as the United States is concerned, Great Britain got the better of the bargain.

Mr. ROBINSON of Arkansas. Mr. President, let me point out that the joint statement submitted for the Record by the Senator from Indiana shows, as was stated during my former remarks, that a request had been received from the British Government.

Let me also point out this fact, that the time elapsing between March 4 and the date when the next payment will become due will be comparatively brief. I do not assume any authority to speak for President-elect Roosevelt, but I can see, as I think everyone who hears me can see, that it was probably necessary to proceed as soon as practicable after the inauguration of the new President in order that the hearing might be completed by the next date of maturity.

#### BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. LONG obtained the floor.

Mr. WHEELER. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Montana?

Mr. LONG. I yield.

Mr. WHEELER. I renew the request for unanimous consent which I made a short time ago, namely, that at 15 minutes past 1 we vote upon the so-called Bratton amendment as perfected by the Senator from New Mexico.

The VICE PRESIDENT. The Chair would suggest that the Senator from Louisiana, in order to make this matter clear on the record, should withdraw his amendment.

Mr. LONG. Mr. President, I yield to the Senator from New Mexico. I withdraw for the time being my proposed amendment to the Vandenberg amendment.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana?

Mr. VANDENBERG. Mr. President, I have no objection to the request, if I may be recognized to make a brief statement showing to the Senate what the issue is.

Mr. LONG. I will yield.

The VICE PRESIDENT. Without objection, the amendment of the Senator from Louisiana will be withdrawn, and the Senator from New Mexico offers the amendment which will be reported.

Mr. BRATTON. Mr. President, before it is offered formally, I desire to perfect it in three respects.

The VICE PRESIDENT. It has not been formally offered, so the Senator may perfect it.

Mr. BRATTON. In line 1, after the word "may," I modify the amendment by inserting the language "with the approval of the Comptroller of the Currency." In line 5, I strike out the word "permitted" and insert in lieu thereof the words "expressly authorized." In line 6, I strike out the period and insert this language, "and subject to the restrictions as to location imposed by the law of the State on State banks."

The VICE PRESIDENT. Without objection, the modified amendment will be considered as pending, and the unanimous-consent agreement submitted by the Senator from Montana is entered into.

Mr. BRATTON. Mr. President, complying with a request just made to me by the Senator from New York [Mr. COPENLAND], I shall read the amendment thus perfected, so that the Senators may understand its contents. It would read as follows:

(c) A national banking association may, with the approval of the Comptroller of the Currency, establish and operate new branches within the limits of the city, town, or village, or at any point within the State in which said association is situated, if such establishment and operation are at the time expressly authorized to State banks by the law of the State in question and subject to the restrictions as to location imposed by the law of the State on State banks. No such association shall establish a branch outside of the city, town, or village in which it is situated unless it has a paid-in and unimpaired capital stock of not less than \$500,000.

Mr. President, let me say in this connection that the junior Senator from Montana [Mr. WHEELER] joins me in submitting this amendment.

The VICE PRESIDENT. Without objection, the vote will be had first on the Bratton amendment. Under the rules the vote should be taken first upon the amendment proposed by the Senator from Michigan [Mr. VANDENBERG], but without objection, the vote will be taken on the Bratton amendment.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. The Senator from Michigan is recognized under the unanimous-consent agreement.

Mr. BINGHAM. Mr. President, has the unanimous-consent agreement been entered into?

The VICE PRESIDENT. The unanimous-consent agreement was entered into. The Chair stated the request, there was no objection, and the Chair stated that the unanimous-consent agreement had been entered into.

Mr. VANDENBERG. Mr. President, in view of the fact that the agreement to vote has been entered into, I shall ask



to proceed without interruption. I welcome this belated anxiety for speed. It is about 10 days late.

The issue before the Senate is now this: First, shall we have branch banking, under the Bratton amendment, limited to those States which affirmatively permit branch banking by State laws; or, second, shall we have a broader privilege of branch banking in respect to proven need and to geography, but a more limited privilege of branch banking in respect to institutional characteristics, as provided in my pending amendment.

Let me make it still plainer. My amendment, which has been pending since last May and which is now the alternative which the Senate may choose in respect to the Bratton amendment, provides that there shall be no branch bank anywhere except under two circumstances: First, in a community which has no banking facilities whatever—in other words, in a bankless community; second, in a community where some existing banking facility is taken over.

The obvious purpose of my amendment is to permit branch banking and limit it to those situations where there is a clear public need for it.

Mr. WHEELER. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Michigan yield to the Senator from Montana?

Mr. VANDENBERG. I can not yield because I am proceeding under limitation of time. I repeat that my amendment would prescribe branch banking only in situations clothed with clear public need.

That public necessity exists under the terms of my amendment either in a community which is calculated never to have any banking facilities except it be proper branch facilities, or in a community where in practice an existing banking unit is calculated to fail and close its doors except as it may associate itself in new branch relationships with some stronger institution. I submit that in both of those limited instances there ought to be a branch banking privilege, as a matter of sound public policy and in elementary defense of the right of bank depositors in the United States—and they are the only ones in whom I am interested. I submit that in these two instances the option of branch banking should exist in every State in the Union and not merely in a limited few.

Under the terms of the amendment submitted by the Senator from New Mexico [Mr. BRATTON] there can be no branch banking, not even in bankless communities, not even in communities where a branch might take over an existing unit and save it and save the money of its depositors except in a few States. Under the terms of the amendment now pending, submitted by the Senator from New Mexico, there can not be a branch bank even in circumstances of the utmost need and utility in any except nine States of the Union, namely, Arizona, California, Delaware, Maryland, North Carolina, Rhode Island, South Carolina, Vermont, and Virginia. Unless there be new affirmative legislation in each of the other 39 States of the Union, this particular banking resource to save depositors and to save communities is denied to 39 States of the Union. I decline to share any responsibility for refusing this option of relief over the larger and broader area. Such refusal invites needless banking tragedy. Let those participate in such malignant hospitality who will. But let the issue be clearly understood.

Mr. President, I submit that as between the two types of limitation and in the circumstances and situation in which the country finds itself at the present time, the limitation which I am proposing is infinitely more humane as well as infinitely more practical. What is to happen to the bankless community in the other 39 States? What is to happen in those 39 States when a situation exists in which an existing unit bank or affiliate could be taken over by a stronger parent institution and thus save the solvency of that bank for the benefit of its depositors and the community itself? Under my amendment these situations may be saved. What is to happen if we attach the Bratton amendment? Nothing is to happen in behalf of community life and in behalf of

depositors. Nothing is to happen because the Senate, in its wisdom, proposes to decline what in many instances would and will be the only salvation.

The issue is perfectly clear, I submit, in choosing between the two alternative methods of limitation. I submit that under my pending amendment there can be none of the hazards of concentrated banking and credit control that we have heard so much about in the inflammatory declamations of the past fortnight. There does not exist within the limitations of my amendment any remote jeopardy of the nature we have heard discussed here by the hour and by the week in the belligerent debate upon this bill. There can be no such concentration whatsoever under the terms of my amendment, an amendment which long ago the able Senator from Virginia [Mr. GLASS], chairman of the Subcommittee on Banking and Currency, conceded was an advantage and willingly approved and accepted.

So here is the choice. The choice is between two types of limiting branch banking. On the one hand, if we vote for the Bratton amendment we vote a geographical limit which prohibits branch banking under any circumstances, no matter how much branch banking might be needed in a specific instance, in any State unless and until there is affirmative legislative action in the State itself.

Mr. COPELAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. COPELAND. Is not the Senator permitted to offer an amendment to the pending amendment?

The PRESIDING OFFICER. It would be in order.

Mr. VANDENBERG. The issue is perfectly plainly drawn in the two amendments pending. I have no disposition to complicate the situation nor to prolong the discussion. No new amendment is needed in order to make the thing perfectly plain. I want to repeat how plain it is.

The Bratton amendment declines to permit branch banking in 39 States of the Union unless and until there is affirmative legislative action in those 39 States.

Mr. NORBECK. In other words, unless they want it.

Mr. VANDENBERG. Unless they want it, perhaps too late, and until affirmative action is taken by the legislatures of those States. No matter how emergent the need, no matter how much grief and disaster might be saved by this recourse, we are asked to say that nothing of this healing sort shall happen unless each individual State individually legislates upon the subject. This would be indeed a timid permit scarcely worthy of these hazardous times.

Mr. BLAINE. Mr. President, may I suggest to the Senator that he is in error as to Wisconsin. I think the Senator said the Bratton proposal embraces States except, among others, Wisconsin. In that respect the Senator is in error.

Mr. VANDENBERG. The State of Wisconsin permits branch banking in the same city and the same location of a closed bank and permits stations with limited functions in places deprived of banking facilities in the same county. I can not go into the detail of each State, but, broadly speaking, I stand upon the statement I have made, because it is based, not upon any calculation of mine, but upon an official statement from Federal reserve sources. I stand upon the statement that as a broad proposition the Bratton amendment prohibits branch banking in a state-wide way in 39 States of the Union, except as there be affirmative State action to justify it. I stand upon the statement that this is virtually cloture, at least contingent cloture, upon broad banking relief in the United States; and I again repudiate the self-serving notion that any such cloture is necessary to protect us against the vice of banking concentrations. That protection amply exists within the terms of my own amendment, which is now alternatively available.

Mr. GLASS. Mr. President, am I to understand there has been a unanimous-consent agreement to vote on this proposition at a quarter past 1 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. GLASS. I am sorry that was done. If the Senator from Michigan will permit me to have a minute—

Mr. VANDENBERG. I yield to the Senator from Virginia.

Mr. GLASS. I want to repeat the statement I have made to the Senate on two separate occasions, that my own judgment is that section 19 of the bill as proposed to be amended by the Senator from Michigan should prevail. My judgment in that respect has not been altered in any degree. I also stated that I feel honorably committed to vote on that proposition before I could consent to any amendment of the bill in other respects. I think the Senator from New Mexico [Mr. BRATTON] understands that. But I have said and now repeat that in the event the Senate disagrees with that view, the so-called Bratton amendment as an alternative is acceptable to me rather than to continue this legislative escapade and defeat the very wholesome provisions of the bank bill.

Mr. VANDENBERG. I understand the Senator's position and I concur in it myself. If there can be nothing more evolved for the benefit of the depositor and the banking community than is contained in the short, sharp, devitalizing limitations of the Bratton amendment, I prefer that pathetically meager and inadequate crumb rather than to have nothing.

Mr. NORBECK. Mr. President, will the Senator yield?

Mr. VANDENBERG. I am sorry I can not yield. I have only three minutes and I want to suggest the absence of a quorum before the vote is taken.

On the other hand, I want to make it plain, in conclusion, that the Bratton amendment is not the only possible limitation to be put upon branch banking to meet the view of those who fear serious banking concentrations. On the contrary, the amendment which I had the honor to offer, and which is still pending, is an even more drastic limitation in respect to the realities of the alleged menace from branch banking, because under the terms of the alternative amendment which the Senate can attach to the bill if it declines the Bratton amendment there will be no branch banking in any State except in the few instances where obviously the establishment of branch banking is clothed with absolute public necessity; and it is upon that basis that I ask the Senate to make its choice. Where the necessity exists, the Senate should not refuse to permit it to be served.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

|           |           |                |               |
|-----------|-----------|----------------|---------------|
| Ashurst   | Costigan  | Kean           | Sheppard      |
| Austin    | Couzens   | Kendrick       | Shipstead     |
| Bailey    | Cutting   | King           | Smith         |
| Barbour   | Dale      | La Follette    | Smoot         |
| Barkley   | Davis     | Lewis          | Steiwer       |
| Bingham   | Dickinson | Logan          | Swanson       |
| Blaine    | Fess      | Long           | Thomas, Idaho |
| Borah     | Fletcher  | McGill         | Thomas, Okla. |
| Bratton   | Frazier   | McNary         | Trammell      |
| Brookhart | George    | Moses          | Tydings       |
| Broussard | Glass     | Neely          | Vandenberg    |
| Bulkley   | Glenn     | Norbeck        | Wagner        |
| Bulow     | Gore      | Nye            | Walsh, Mass.  |
| Byrnes    | Grammer   | Oddie          | Walsh, Mont.  |
| Capper    | Hastings  | Reynolds       | Watson        |
| Caraway   | Hayden    | Robinson, Ark. | Wheeler       |
| Connally  | Hebert    | Robinson, Ind. | White         |
| Coolidge  | Howell    | Russell        |               |
| Copeland  | Johnson   | Schuyler       |               |

Mr. SHEPPARD. I wish to announce that the senior Senator from Tennessee [Mr. McKellar], the junior Senator from Tennessee [Mr. Hull], the senior Senator from Alabama [Mr. Black], the junior Senator from Alabama [Mr. Bankhead], the Senator from Washington [Mr. Dill], and the Senator from Nebraska [Mr. Norris] are absent on official business, visiting Muscle Shoals.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present. The question is on the amendment proposed by the Senator from New Mexico.

Mr. COUZENS. I ask for the yeas and nays.

Mr. NORBECK. Mr. President, I wish to ask the Senator from New Mexico if he will not accept a slight change in his amendment.

Mr. COUZENS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. COUZENS. Is it in order, in view of the unanimous-consent agreement, now to offer amendments?

The VICE PRESIDENT. Debate would not be in order, but the Senator from South Dakota may ask the Senator from New Mexico if he will modify his amendment.

Mr. NORBECK. I should like to have the amendment I propose as a modification read at the desk, and I think the Senator from New Mexico will accept it. It applies only to States with small populations.

The VICE PRESIDENT. Debate is not in order. The clerk will read the amendment proposed by the Senator from South Dakota to the amendment offered by the Senator from New Mexico.

The LEGISLATIVE CLERK. At the end of the amendment proposed by the Senator from New Mexico it is proposed to insert the following:

*Provided, That in States with a population of less than 1,000,000, and which have no cities located therein with a population exceeding 100,000, the capital shall be not less than \$250,000.*

Mr. BRATTON. Mr. President, I have no objection to that.

Mr. NORBECK. I thank the Senator.

The VICE PRESIDENT. Without objection, the amendment will be modified as suggested by the Senator from North Dakota. The question now is on the amendment, as modified, on which the yeas and nays have been requested.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mrs. CARAWAY (when her name was called). On this question I have a pair with the senior Senator from Maine [Mr. Hale]. Not knowing how he would vote, I withhold my vote.

Mr. HEBERT (when his name was called). I have a general pair with the Senator from Washington [Mr. Dill]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. Stephens]. I understand if he were present he would vote as I intend to vote. Therefore, I feel free to vote and vote "yea."

The roll call was concluded.

Mr. HASTINGS (after having voted in the negative). I find that on this question I have a pair with the junior Senator from Alabama [Mr. Bankhead], and therefore withdraw my vote.

Mr. SHIPSTEAD. I was requested to announce the absence of my colleague [Mr. Schall] and also to announce that, if present, he would vote "yea."

Mr. TYDINGS (after having voted in the affirmative). I have a general pair with the senior Senator from Rhode Island [Mr. Metcalf]. I transfer that pair to the senior Senator from Nevada [Mr. Pittman], and let my vote stand.

Mr. BULKLEY (after having voted in the negative). I have a general pair with the senior Senator from Wyoming [Mr. Carey], who is necessarily absent from the city. I understand that if he were present he would vote "yea." I therefore withdraw my vote.

Mr. COPELAND. I desire to announce that my colleague [Mr. Wagner] is detained. If he were present and permitted to vote, he would vote "yea."

Mr. FESS. I desire to announce the following general pairs:

The Senator from New Hampshire [Mr. Keyes] with the Senator from Alabama [Mr. Black];

The Senator from Delaware [Mr. Townsend] with the Senator from Tennessee [Mr. McKellar];

The Senator from West Virginia [Mr. Hatfield] with the Senator from Mississippi [Mr. Harrison];

The Senator from Missouri [Mr. Patterson] with the Senator from New York [Mr. Wagner];

The Senator from Connecticut [Mr. Walcott] with the Senator from Tennessee [Mr. Hull]; and

The Senator from Maryland [Mr. Goldsborough] with the Senator from Missouri [Mr. Hawes].



I am not advised how any of these Senators would vote on this question.

I also wish to announce that the Senator from California [Mr. SHORTRIDGE] is detained on official business.

Mr. SHEPPARD. I desire to announce that the Senator from Tennessee [Mr. McKELLAR], the Senator from Washington [Mr. DILL], the Senator from Tennessee [Mr. HULL], the Senator from Alabama [Mr. BANKHEAD], the Senator from Mississippi [Mr. HARRISON], the Senator from Alabama [Mr. BLACK], and the Senator from Missouri [Mr. HAWES], if present, would vote "yea" on this amendment.

Mr. ROBINSON of Arkansas (after having voted in the affirmative). I am advised that my general pair, the Senator from Pennsylvania [Mr. REED], who is necessarily absent, would vote as I have voted, and therefore I let my vote stand.

The result was announced—yeas 52, nays 17, as follows:

#### YEAS—52

|           |           |             |                |
|-----------|-----------|-------------|----------------|
| Ashurst   | Coolidge  | Kean        | Robinson, Ark. |
| Bailey    | Copeland  | Kendrick    | Robinson, Ind. |
| Barbour   | Costigan  | King        | Russell        |
| Barkley   | Cutting   | La Follette | Schuyler       |
| Blaine    | Dale      | Lewis       | Sheppard       |
| Borah     | Davis     | Logan       | Shipstead      |
| Bratton   | Dickinson | Long        | Smith          |
| Brookhart | Frazier   | McGill      | Swanson        |
| Broussard | George    | Neely       | Trammell       |
| Bulow     | Glass     | Norbeck     | Tydings        |
| Byrnes    | Gore      | Nye         | Walsh, Mass.   |
| Capper    | Hayden    | Oddie       | Walsh, Mont.   |
| Connally  | Howell    | Reynolds    | Wheeler        |

#### NAYS—17

|          |         |               |        |
|----------|---------|---------------|--------|
| Austin   | Glenn   | Smoot         | Watson |
| Bingham  | Grammer | Steinwer      | White  |
| Couzens  | Johnson | Thomas, Idaho |        |
| Fess     | McNary  | Thomas, Okla. |        |
| Fletcher | Moses   | Vandenberg    |        |

#### NOT VOTING—27

|              |          |           |            |
|--------------|----------|-----------|------------|
| Bankhead     | Hale     | Keyes     | Schall     |
| Black        | Harrison | McKellar  | Shortridge |
| Bulkeley     | Hastings | Metcalf   | Stephens   |
| Caraway      | Hatfield | Norris    | Townsend   |
| Carey        | Hawes    | Patterson | Wagner     |
| Dill         | Hebert   | Pittman   | Walcott    |
| Goldsborough | Hull     | Reed      |            |

So Mr. BRATTON's amendment, as modified, was agreed to.

The VICE PRESIDENT. The question now is on the amendment of the Senator from Michigan [Mr. VANDENBERG].

Mr. VANDENBERG. Mr. President, I think that with the geographical limitation in place the other limitation would be inappropriate. I therefore ask leave to withdraw my amendment.

The VICE PRESIDENT. The Senator from Michigan withdraws his amendment. The clerk will state the next amendment.

Mr. GLASS. Mr. President, it seems to be understood that if this compromise amendment, to which I have repeatedly referred in the course of debate, should be adopted the filibuster against this banking bill would cease. How much of confidence may be placed in that seeming understanding I have no means of determining, because so many agreements and commitments have been made and violated that I am unable to determine what may now ensue.

I desire in a word or two again to make it plain, if in elaborate expositions of the bill I did not make it plain, that it was my considered judgment that the bill as drawn in section 19, with the severely restrictive amendment proposed by the junior Senator from Michigan [Mr. VANDENBERG], should meet the approval of the Senate, as I am sure it would meet the approval of the country.

Mr. LONG. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. Not until I shall have completed my statement.

The VICE PRESIDENT. The Senator declines to yield.

Mr. GLASS. I felt, however, from the beginning, as I have several times stated to the Senate, that there would be such bitter antagonism to that provision of the bill as that the bill itself would be endangered, and the many extremely important provisions of the proposed law would thus

fail, and that in consequence of that failure we would have another epidemic of bank failures.

I could have very earnestly wished that the parliamentary procedure here might have taken a course that would have enabled the Senate to vote first on section 19 as proposed to be amended by the junior Senator from Michigan, and upon what seemed to be the inevitable failure of that provision we should then have voted upon the amendment proposed by the Senator from New Mexico [Mr. BRATTON], to which I have from time to time made reference. But freely admitting what undoubtedly is obvious without admission—that I have little knowledge of tactical parliamentary procedure—I do not seem to have been able to bring about that action by the Senate, and was shut up to voting for the Bratton amendment in order to test the sincerity and integrity of this alleged agreement to proceed promptly with the other provisions of the bill.

If I may now rely in any considerable measure upon this seeming agreement, I should be disposed to ask the Senate to recess now until 12 o'clock noon on Monday.

Mr. LONG. Mr. President—

The VICE PRESIDENT. Does the Senator from Virginia yield to the Senator from Louisiana?

Mr. GLASS. I yield to the Senator for a question.

Mr. LONG. Not for a question; I want to make just a little statement, if the Senator would permit. I am sure the floor will not be taken away from him.

Mr. GLASS. I do not care to yield the floor. I will yield to the Senator for a brief statement.

Mr. LONG. I just want to say that I, of course, shall take suggestions and advice rather than undertake to suggest anything.

It is true that the backbone of the opposition to the Glass bill to some extent is broken, I might say; but the facts of the Bratton amendment are that the Senator from Virginia, in his reply to the Senator from Massachusetts [Mr. WALSH] some days ago, stated that he in some senses favored it and in some senses did not; but, as reformed by the amendments of the Senator from Montana [Mr. WHEELER], it was such as we could all carry along, whether it was quite all we wanted or not; and I had hoped that we might not have any review or historical reckoning of the few days that it has taken to reach this agreement. I do not see where it is going to do a great deal of good. I do not think it will help us in getting together and possibly carrying the bill hereafter.

I want to say, further, that when the Senator states that agreements have been violated, I am sure he does not refer to any agreement to which I was a party in the course of this debate.

#### EXTENSION OF TIME UNDER FEDERAL RESERVE ACT

Mr. GLASS. Mr. President, I have had various appeals from Senators to recess for the balance of this day. In fact, I had been urged not to have the Senate convene today, but I thought we should proceed with the bill, and I contemplate making the motion in a little while to recess.

Before doing that, Mr. President, I ask unanimous consent to send to the desk a bill, and request immediate consideration of it.

The VICE PRESIDENT. Let the bill be read for the information of the Senate.

The bill (S. 5484) to extend the time during which certain provisions of the act of February 27, 1932, relating to improving the facilities of the Federal reserve system to meet the needs of member banks in exceptional circumstances, shall be effective, was read the first time by its title and the second time at length, as follows:

*Be it enacted, etc.,* That section 10 (b) of the Federal reserve act, as amended (U. S. C., Supp. VI, title 12, sec. 347b), and the second paragraph of section 16 of the Federal reserve act, as amended by section 3 of the act entitled "An act to improve the facilities of the Federal reserve system for the service of commerce, industry, and agriculture, to provide means for meeting the needs of member banks in exceptional circumstances, and for other purposes," approved February 27, 1932 (U. S. C., Supp. VI, title 12, sec. 412), are amended by striking out the date "March 3, 1933," wherever it appears and inserting in lieu thereof "March 3, 1934."

The VICE PRESIDENT. Is there objection to the consideration of the bill just read?

Mr. THOMAS of Oklahoma. I reserve the right to object.

The VICE PRESIDENT. The Senator from Oklahoma reserves the right to object. The Senator from Virginia has the floor.

Mr. WALSH of Massachusetts. Mr. President, will the Senator from Virginia yield? While the Senator from Oklahoma is studying the bill which the Senator has just presented, may I inquire from him, from his knowledge of the amendments that are pending and from his contacts with Senators on the floor, whether he believes that there are many other controversial issues to be considered in connection with the pending bank bill before a final vote may be taken on its enactment.

Mr. GLASS. I could not answer that question.

Mr. WALSH of Massachusetts. If there are not, it seems to me we ought to continue the business of this session and dispose of the bill to-day.

Mr. GLASS. I have been told that if we recess until Monday there will be no particular opposition to other provisions of the pending banking bill.

Mr. THOMAS of Oklahoma. Mr. President, I desire to take exception to that statement.

Mr. GLASS. How take exception to it—that I have not been told that that is so?

Mr. THOMAS of Oklahoma. Not by me.

Mr. GLASS. I did not say I had been so told by the Senator from Oklahoma. I did not imagine that I would be by the Senator from Oklahoma.

Mr. THOMAS of Oklahoma. Mr. President, I have a reservation of objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill introduced by the Senator from Virginia, which has been read?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I desire to make a statement which will take but just a moment or two.

Last year, when the Glass-Steagall bill—have I the floor, Mr. President?

The VICE PRESIDENT. The Senator from Virginia has the floor.

Mr. GLASS. I yield to the Senator from Oklahoma for a brief statement, if he wants to make it.

Mr. THOMAS of Oklahoma. Mr. President, have I the floor?

The VICE PRESIDENT. The Senator has the floor, the Senator from Virginia having yielded.

Mr. THOMAS of Oklahoma. Mr. President, last year, when the Glass-Steagall bill was before this body, it contained a provision for one year that certain classes of securities could be placed as the basis for the issuance of currency. In an hour's speech upon this floor I moved to strike out that provision for one year and leave it indefinite.

After I had made my speech numerous Senators came to me and suggested that if I would modify my amendment to two years they would sustain my position. Yielding to those suggestions, I modified my amendment to make it for two years. On a roll call, over the objection of the Senator from Virginia, my position was sustained by about 40 to 20—about 2 to 1.

The bill thereby went to conference, and in conference, at the instance, I am advised, of the Senator from Virginia, the 1-year provision was placed back in the bill and it came back to the Senate. I was satisfied then in my mind that one year was too short, but not desiring to interfere unduly with the program of those who desire this legislation and at the request of the Senator from Virginia I yielded and let one year stand.

Now, Mr. President, in justification of my cause then and in support of my speech made one year ago the House has already passed a bill sustaining my position taken two years ago, and it is now proposing to extend the right one year further.

Let me call attention to the title of this bill:

To extend the time during which certain provisions of the act of February 27, 1932, relating to improving the facilities of the Federal reserve system to meet the need of member banks in exceptional circumstances shall be effective.

We are just going to have prosperity now for another year. They fixed it last year at one year. Times are worse to-day than they were a year ago, and now it is proposed to have prosperity under this bill for an additional year.

Mr. President, I am not against the bill; I was for it last year, but I was against the limitation of one year. Now I am against the limitation of one year for the future. If this bill is good, why not extend it indefinitely, and then, in the future, if we want to put a limitation upon it, Congress will be in session and can do so.

I do not care to take the time of the Senate, but I wanted to make this statement, notwithstanding the severe castigations I have had at the hands of the junior Senator from Virginia.

Mr. President, I withdraw my objection.

Mr. BLAINE. Mr. President, reserving the right to object, I desire to inquire of the Senator from Virginia the total amount of Federal reserve notes that are outstanding against the securities provided for in the Glass-Steagall bill of a year ago.

Mr. GLASS. I could not answer the Senator accurately without getting the figures from the Treasury. I know that under this particular provision of the bill the Federal reserve banks purchased approximately a billion dollars of Federal reserve bonds, and substituted a large proportion of the purchase for commercial paper.

Mr. BLAINE. Can the Senator give us information respecting the outstanding national-bank notes issued under the so-called Glass-Borah amendment of the home-loan bank bill?

Mr. GLASS. The last report had by me from the comptroller's office was that 800 banks, as I recall, had taken out additional circulation, to the amount, in the aggregate, of approximately \$150,000,000.

Mr. BLAINE. Does the Senator know approximately how that stands in comparison with the amount of Federal reserve notes that were issued under the Glass-Steagall bill? I do not mean to ask the Senator to give the exact amount.

Mr. GLASS. Federal reserve notes issued under the Glass bill?

Mr. BLAINE. Yes; Federal reserve notes under the Glass-Steagall bill.

Mr. GLASS. I think the bond purchases were out of the assets of the Federal reserve banks.

Mr. BLAINE. They represent approximately what amount?

Mr. GLASS. I could not state that.

Mr. BLAINE. I have no objection to the immediate consideration of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I have the reports of the Federal reserve bank which are released weekly. On the 1st of January, 1932, more than a year ago, there was in circulation the sum of \$5,646,000,000. Notwithstanding the fact that the Federal Reserve Board bought \$1,100,000,000 of bonds, and paid for them with Federal reserve notes, which placed those notes in circulation, and notwithstanding the fact that 800 banks have increased their circulation by \$150,000,000 during the past 12 months, at the end of the year there was in circulation the sum of \$5,589,000,000, a decrease of \$57,000,000, notwithstanding over \$1,200,000,000 had been placed in circulation.

Mr. GLASS. Of course, Mr. President, it is not true that the Federal reserve banks issued \$1,000,000,000 of currency for their purchases of these bonds. As a matter of fact, they simply released practically that amount of reserve credit to the member banks, with the expectation that the member banks, with their reserve credits thus released, would respond to the requirements of commerce; and the member banks did nothing of the kind.



Mr. President, I do not care a thrip about this proposition. My judgment has not changed in the slightest degree about it. I stated a year ago, when the Glass-Steagall bill was before the Senate, that I thought it was a wretchedly bad policy, that it was taking us back to the old system of bond-secured currency, instead of to the flexible system of credits based upon commercial and industrial transactions.

I offered this bill at the request of the chairman of the Committee on Banking and Currency of the Senate. I am told that the Federal reserve bank directors are anxious to have it passed. The Senate may do as it pleases. I do not care a thrip about it.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed.

#### DISTRIBUTION OF GOVERNMENT-OWNED COTTON—CONFERENCE REPORT

Mr. BINGHAM. Mr. President, a few days ago there was laid before the Senate a conference report on House bill 13607, known as the Red Cross allotment of cotton bill.

A conference report is a privileged matter and may be brought up at any time. I do not know when this conference report was agreed to by the Senate; I did not happen to be on the floor at the time; but I understand that it was agreed to and that later the junior Senator from Utah [Mr. KING] entered a motion to reconsider the vote by which it was agreed to.

Since it is a privileged matter, being a conference report, and since there is very urgent need that the cotton covered by the measure be given to the Red Cross at the earliest possible time, I hope that the Senator from Utah will permit us to bring his motion up at once and see whether the Senate wishes to reconsider its vote on this privileged matter, in order that it may be decided without delay.

Mr. KING. Mr. President, I hope the Senator will not ask to take up the matter at the present time. The senior Senator from Tennessee [Mr. McKellar] is interested in this matter and is necessarily absent from the city. He and I collaborated in the amendment, which was unanimously adopted in the Senate, the rejection of which by the conference committee has caused the delay in disposing of the bill in question. He is also interested in securing a reconsideration of the action of the Senate in adopting the conference report.

Mr. BINGHAM. Mr. President, this matter has been dragged along from day to day and from week to week. In the meantime there are people who are suffering and whose suffering could be alleviated by the Red Cross if this measure were enacted. It is not a matter of ordinary legislation; it is a matter of emergency. Repeatedly I have endeavored to get the legislation through. Repeatedly there have been delays occasioned by courtesies to absent Senators, and so forth, and it seems to me that we have come to the point where we ought not to be asked to delay the matter for three or four more days because a Senator is absent who presented an amendment which was adopted by the Senate but was thrown out in conference.

I was not one of the conferees, and know nothing of what took place in conference, but a unanimous report of the conferees was received. The report is a privileged matter. I desire to propound to the Chair a parliamentary inquiry, as to whether the privilege granted a conference report extends to all motions connected therewith, such as a motion to reconsider the vote whereby the conference report was agreed to.

The VICE PRESIDENT. The Chair does not believe it is a privileged matter, but that it should be brought up on motion, or by unanimous consent.

Mr. KING. Mr. President, I will say to the Senator from Connecticut that he will make nothing by any attempt to railroad this report through in the absence of the Senator from Tennessee. If he insists upon taking it up, we shall be compelled to discuss the questions involved during the afternoon. Let me add that the delays referred to by the

Senator have been caused by the effort to pass a bill that contained improper provisions, and the action of the conference committee to utterly disregard the deliberate judgment of the Senate, as expressed in the amendment adopted by it.

I want to say to the Senator that I am getting rather tired of the procedure under which, after the Senate, following full discussion, unanimously adopts measures which go to conference, the action of the Senate is ignored.

This matter was discussed at the time the bill was before the Senate. And it was the unanimous view, so far as I could understand the attitude of the Senate, that no appropriation should be made from the Treasury of from ten to fifteen million dollars, to be added to the revolving fund of \$500,000,000, heretofore appropriated to the Farm Board. There was no objection to any measure that would credit the revolving fund with the value of the cotton, but there was objection to dipping into the Treasury of the United States for an indefinite sum, possibly \$15,000,000, to pay the charges and liens upon the cotton which was to be delivered to the Red Cross for proper distribution to the needy.

The Senator from Tennessee and I stated at the time that there was no objection to a measure which would credit the revolving fund with the value of the cotton, but there was objection to authorizing an indefinite sum to be appropriated out of the Treasury of the United States to pay charges on liens upon cotton owned by the Farm Board or in which it had an equity.

The bill as it passed the House was not, in my judgment, fair, but the Senate amendment remedied the evil. The conferees, however, threw the amendment out without rhyme or reason, in my opinion, although I do not want to be critical, and, so far as I am advised, no effort was made to retain the amendment agreed to in the Senate.

Mr. BINGHAM. Mr. President, the Senator need not accuse me of trying to railroad this matter through. I have tried to bring it up repeatedly and have submitted to the desires of Senators and put it off from day to day. I was not a member of the conference and do not know what took place in conference. I do not see upon the floor at the present time any one of the conferees.

I hope that the Senator will not persist in his efforts to prevent the adoption of the conference report or vote upon it, no matter how strongly he feels in the matter. It seems to me that it is a question which should be decided without delay as to whether there is to be relief given this winter or not. Every day's delay means an additional day of suffering to a very large number of people.

The Senator knows that I have agreed with him in many points of view he has taken regarding the necessity of having the Federal Government relieve suffering, but it seems to me that in this case the Red Cross can be trusted to do its work well, and that this bill ought to be enacted at the earliest possible moment. It has passed both Houses, the House has agreed to the conference report, there was a unanimous report of the conferees, and I trust the Senator will not delay at least any further than Tuesday action on the report.

Mr. KING. I am willing that it shall be taken up Tuesday, when the Senator from Tennessee returns.

#### CONSTRUCTION CHARGES ON INDIAN IRRIGATION PROJECTS

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 3675) relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects, which were, on page 1, line 5, after the word "of," to insert "such of the"; on the same page, line 5, after the word "charges," to insert "as are in default"; on the same page, line 9, to strike out "to the same extent" and insert "under the same terms"; and on the same page, line 9, to strike out the word "any" and insert the word "the."

Mr. FRAZIER. Mr. President, I move that the Senate concur in the House amendments.

Mr. KING. Mr. President, I would like to ask the Senator the effect of the amendments to this rather important bill.

Mr. FRAZIER. As I understand it, they are to make the wording a little more simple. While the junior Senator from Wyoming [Mr. CAREY] is away, he being the author of the bill, his secretary informs me that he is satisfied with the amendments. The senior Senator from Wyoming [Mr. KENDRICK] makes the same statement.

Mr. KING. Let me inquire whether the bill imposes any additional burdens or obligations upon the Indians?

Mr. FRAZIER. I do not understand that it does.

Mr. KING. There has been so much legislation which in my opinion has been unfair to the Indians that whenever any measure comes before us dealing with them I want to be entirely satisfied that their rights are not injuriously affected.

Mr. FRAZIER. I understand the Senator's position.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota to agree to the amendments of the House.

The motion was agreed to.

#### REPEAL OF EIGHTEENTH AMENDMENT

Mr. BLAINE. Mr. President, on yesterday I submitted a unanimous-consent request, and objection was made by the senior Senator from Utah [Mr. SMOOT]. I understood thereafter that the Senator from Utah objected on the ground that appropriation bills were about ready or were ready for consideration at the conclusion of the disposal of the pending bank measure. Before submitting the unanimous-consent request again, I want to assure the Senator from Utah that, if the request is granted, at any time the Senator or those having charge of any appropriation bill desire to take up such measure for consideration, I will consent that the joint resolution shall be laid aside temporarily.

Therefore, I submit the unanimous-consent request that the joint resolution (S. J. Res. 211) proposing an amendment to the Constitution of the United States—that is, the repeal of the eighteenth amendment—being Calendar No. 1111, be made a special order of business upon the conclusion of the consideration of the pending bank measure.

The VICE PRESIDENT. Is there objection?

Mr. SMOOT. Mr. President, I wish to say to the Senator from Wisconsin that I want it distinctly understood that whenever there is an appropriation bill or a conference report on an appropriation bill ready for consideration the unanimous consent shall not interfere with the consideration or passage of those matters.

Mr. BLAINE. I can give the Senator that assurance.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wisconsin?

Mr. SHEPPARD. Mr. President, I object.

The VICE PRESIDENT. Objection is made.

#### BANKING ACT

The Senate resumed the consideration of the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes.

Mr. LONG. Mr. President, I do not want the Senator from Virginia [Mr. GLASS] to move a recess with any misunderstanding. I did say to him a moment ago that I thought if we would adjourn until Monday we would facilitate the passage of the bill and he would have probably not very much opposition. I could only speak for myself. However, I have other amendments which I had expected would not be so bitterly contested, particularly the one putting the Secretary of the Treasury back on the Federal Reserve Board, as to which I understand there is not very much contest.

Mr. WALSH of Massachusetts. Mr. President, a few moments ago I expressed regret that the Senate was apparently about to take a recess until Monday at this early hour. In view of what transpired in the Senate during the past week, the resentment of the public, and in view of the further fact that the controversial question of branch banking is

now finished, I felt that we ought to show a disposition to get down to business and proceed to the disposal of the remaining pending amendments and vote on the question of enacting the bill. However, I have every confidence in the junior Senator from Virginia [Mr. GLASS]. I believe he is desirous of expediting action upon his bill. I do not want to assume to advise or influence his management of this bill through its parliamentary stages. Upon his statement that, in his opinion, definite and more prompt action will be obtained on Monday if we recess this afternoon, I shall make no objection.

Mr. GLASS. Mr. President, I may say to the Senator also that all of the time of the junior Senator from Virginia has been so occupied with this bit of controversy here that he has had no time to consider thoroughly such other amendments as have been proposed. I would like to have sufficient time to consider them.

Mr. WALSH of Massachusetts. In view of that fact I am sure that all of the Senator's colleagues will agree that he should have that time.

#### RECESS

Mr. GLASS. Mr. President, I move that the Senate recess until 12 o'clock noon on Monday.

The motion was agreed to; and the Senate (at 2 o'clock and 7 minutes p. m.) took a recess until Monday, January 23, 1933, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate January 21 (legislative day of January 10), 1933*

#### PROMOTIONS IN THE REGULAR ARMY

##### TO BE LIEUTENANT COLONEL

Maj. Leonard Craig Sparks, Field Artillery, from January 14, 1933.

##### TO BE MAJOR

Capt. Mark Wayne Clark, Infantry, from January 14, 1933.

##### TO BE CAPTAINS

First Lieut. William Andrew Smith, Infantry, from January 14, 1933.

First Lieut. Roy William Camblin, Air Corps, from January 14, 1933.

##### TO BE FIRST LIEUTENANTS

Second Lieut. James Wilson Green, jr., Signal Corps, from January 14, 1933.

Second Lieut. Farmer Wiley Edwards, Coast Artillery Corps, from January 14, 1933.

#### APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

##### GENERAL OFFICER

*To be brigadier general, reserve*

Brig. Gen. Edward Moses Stayton, Missouri National Guard, from January 20, 1933.

## HOUSE OF REPRESENTATIVES

SATURDAY, JANUARY 21, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, in the name of Him whose character has never suffered a blemish, whose earthly life has never been dimmed by the shades of time, and whose love touches a world of mortals we pray. In Him is light and in that light there is no darkness. Hear us, dear Lord. If threatened with misfortune, if overtaken by tribulation, may they be dispersed by the love and the power of Him who is our Saviour. Let us confidently be true to Thee, to ourselves, and to our country. May we never surrender to the breath of false ambition, greed, or appetite. To-day inspire us to approach all problems with conviction, understanding, and with abounding courage. Amen.

The Journal of the proceedings of yesterday was read and approved.